

Col. Laurin Lyman Williams, O8425, United States Army.

Col. Raymond Eccleston Serveira William-son, O8602, United States Army.

Col. William Lillard Barriger, O11220, United States Army.

Col. George Bittmann Barth, O11241, United States Army.

#### APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Curtis H. Alloway, O444813.  
 Anthony J. Auletta, O460153.  
 Paul A. Baldy, O390799.  
 John T. Batts, O386840.  
 William L. Boylston, O414286.  
 Leon W. Brouhard, O132919.  
 Clifford J. Budney, O558042.  
 David M. Buie, O399821.  
 Elmer I. Caldwell, O393912.  
 Charles B. Christian, O409593.  
 John M. Coates, O168595.  
 Lloyd A. Corkan, Jr., O550660.  
 Ralph E. Davis, O1168217.  
 Fred P. De Palma, O436236.  
 Bert P. Ezell, O389521.  
 Edgar R. Fenstermacher, O390519.  
 Joseph F. Fil, O956244.  
 George L. Freeman, O1595510.  
 James V. Galloway, O399104.  
 John D. Gard, O2010743.  
 Franklin T. Garrett, O467847.  
 Sam F. Gaziano, O1291260.  
 Berkeley S. Gillespie, Jr., O467699.  
 Anthony P. Glasser, O1313396.  
 Maxwell Grabove, O442802.  
 John B. Gregg, O1826363.  
 James C. Heftl, O1556732.  
 Leonard J. Hempling, O386072.  
 Lewis E. Hess, O442042.  
 Charles W. Howard, O1325703.  
 William L. Humphrey, O391239.  
 Carl W. Ivie, Jr., O394855.  
 Lloyd K. Jensen, O418003.  
 Maurice E. Jessup, O1173683.  
 James W. Kelly, O530015.  
 Eldredge R. Long, Jr., O955080.  
 John S. Mace, O414381.  
 Clarence D. Maiden, O1318058.  
 Roy R. May, Jr., O449412.  
 Raymond N. Nelson, Jr., O1322582.  
 Gilbert H. Newman, O424196.  
 John W. Norwalk, O452998.  
 Lewington S. Ponder, O526486.  
 Noble L. Riggs, O405897.  
 Edmund C. Roberts, Jr., O405053.  
 William Schabacker, O537740.  
 Ferdinand L. Schwartz, O465156.  
 John G. Sheehan, O1045925.  
 Frank W. Sheppe, O2035441.  
 Russell R. Simpson, O412224.  
 Harold T. Smith, O529568.  
 Homer D. Smith, Jr., O517155.  
 Paul C. Smithey, O957947.  
 Basil J. Sollitto, O402407.  
 Roderick A. Stamey, Jr., O1546523.  
 Lawrence V. Trolano, O396580.  
 William M. Twitty, O1579239.  
 Jerry G. Wallace, O450142.  
 Dayton L. Warren, O532734.  
 Dobson L. Webster, O546471.  
 Joseph M. Wells, O536999.  
 Donald B. Wentzel, O414436.  
 Alton R. Wheelock, O1638773.  
 William M. Whitesel, O546826.  
 Samuel M. Woodward, O442655.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 8 (legislative day of June 2), 1949:

#### DIPLOMATIC AND FOREIGN SERVICE

Jefferson Caffery to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Egypt.

#### TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

John Campbell Ausland  
 John H. Barber  
 Vincent R. Boening  
 William B. Buffum  
 Miss Patricia M. Byrne  
 Peter R. Chase  
 Thomas R. Craig, Jr.  
 Richard T. Ewing  
 Seymour H. Glazer  
 Philip C. Habib  
 James E. Hewes, Jr.  
 James L. Houghteling, Jr.  
 Miss M. Louise Kirby  
 Cleo A. Noel, Jr.  
 Harry B. Pangburn  
 Paul O. Proehl  
 Barrett M. Reed  
 John F. Rogers  
 Mrs. Corey B. Sanderson  
 Robert Simpson  
 Herbert B. Thompson  
 Edward J. Thrasher  
 Viron P. Vaky  
 Wendell W. Woodbury  
 Charles G. Wootton

## HOUSE OF REPRESENTATIVES

FRIDAY, JULY 8, 1949

The House met at 11 o'clock a. m.

The Acting Chaplain, Rev. Jacob S. Payton, offered the following prayer:

Our Heavenly Father, on the threshold of the day's deliberations we seek Thy guidance. May each Member be grandly partisan concerned only with being on the Lord's side. May each glory in wearing the party label of the Lord's own. May all bear the mark of the conservative for seeking to conserve in America religious faith and free government. Likewise may all be liberals subscribing to the liberalizing doctrine that every man is his brother's keeper and to the emancipating knowledge of Thy truth which makes men free indeed. So grant, O Lord, to Members of this body the boon of inward peace reserved for those who never ask what is expedient, but always ask what is right. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in

the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50-1.

#### EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Record and include a copy of the bill S. 2115, which has passed the Senate, and a similar bill introduced by her.

Mr. TEAGUE asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Record and include an article from Business Week of July 2, 1949.

Mr. YATES asked and was given permission to extend his remarks in the Record and include an editorial from the Washington Post.

Mr. McCULLOCH asked and was given permission to extend his remarks in the Record and include an editorial from the Columbus (Ohio) Citizen.

Mr. DONDERO asked and was given permission to extend his remarks in the Record and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the Record and include extraneous matter.

#### SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

#### EXTENSION OF REMARKS

Mr. GORE asked and was given permission to extend his remarks in the Record and include an address written by a young gentleman, by which he won first prize in the Knoxville, Tenn., Flag Day contest.

#### PAINTING OLD HOUSE OFFICE BUILDING

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. I should say I rise to question the privilege of the House, but I have no resolution prepared. But I would like to propound a parliamentary inquiry and would like to discuss it for a moment.

Painters have gone into the Old House Office Building and started on a program of painting the walls in that building where we seldom if ever get any fresh air at all.

I have never known them to air that building out, since they put this cooling system in, with the result that it is literally becoming nauseating to the Members and their clerks who have to work in the building. That ought not to be.

We moved out of the Capitol in order for them to take a year or two to fiddle around over there. Now they have moved into the Old House Office Building. You can smell that paint all the way over here. You can smell it on the fifth floor right now. They are on the first floor and you can smell that paint on the fifth floor.

Unless it is stopped, I will offer a resolution here to bring it to a close and

put a stop to it until after Congress adjourns.

There will be plenty of time for them to paint those walls after Congress gets away from here. It is absolutely unthinkable that they should come in there now and make it impossible for Members and their clerks to work in their own offices.

Mr. Speaker, my parliamentary inquiry is, how to go about stopping it?

The SPEAKER. Since the gentleman from Mississippi has called attention to it, the Chair will see that the House Office Building Commission, of which he is chairman, looks into it.

#### EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

#### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. NO. 975)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this Act may be cited as the 'Housing Act of 1949.'

#### "DECLARATION OF NATIONAL HOUSING POLICY

"SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every

American family, thus contributing to the development and redevelopment of the communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective is hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

#### "TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

##### "LOCAL RESPONSIBILITIES

"SEC. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in

residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

##### "LOANS

"SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances, of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

"(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by



the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

"(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

#### "CAPITAL GRANTS

"SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating

not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### "REQUIREMENTS FOR LOCAL GRANTS-IN-AID

"SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### "LOCAL DETERMINATIONS

"SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (1) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (2) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (3) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the

demolition thereof would reasonably be expected to create undue housing hardship in the locality.

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

#### "GENERAL PROVISIONS

"SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

"(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

"(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property.

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local

taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, or any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

"(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be extended in any one State.

#### "PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

"SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### "SURPLUS FEDERAL REAL PROPERTY

"SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### "PROTECTION OF LABOR STANDARDS

"SEC. 109. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Sec-

retary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

"(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### "DEFINITIONS

"SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings con-

templated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia,



and the Territories, dependencies, and possessions of the United States.

"(1) 'Administrator' means the Housing and Home Finance Administrator.

**"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT**

"Sec. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949'.

"Sec. 202. This title shall take effect as of June 30, 1949.

**"TITLE III—LOW-RENT PUBLIC HOUSING**

**"LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES**

"Sec. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each

family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

**"VETERANS' PREFERENCES**

"Sec. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been

determined by the Veterans' Administration to be service-connected."

"(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

**"COST LIMITS**

"Sec. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

**"PRIVATE FINANCING**

"Sec. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

"(b) The following is added after section 21:

**"PRIVATE FINANCING**

"Sec. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others, than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or

supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

"(c) In the fourth sentence of section 9 the words 'going Federal rate at the time the loan is made,' are deleted; in the first proviso of subsection 10 (b) the words 'going Federal rate of interest at the time such contract is made' are deleted; and in lieu thereof in each case there are substituted the words 'applicable going Federal rate'; and subsection 2 (10) is amended to read as follows:

"(10) The term "going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the

most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum."

"(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.'

"(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.'

"(f) The first sentence of subsection 10 (c) is amended to read as follows: 'Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.'

"(g) Section 14 is amended by inserting the following after the first sentence: 'When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.'

"(h) Section 20 is amended to read as follows:

"Sec. 20. The Authority may issue and have outstanding at any one time notes and

other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States."

"(1) Subsection 2 (5) is amended to read as follows:

"(5) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings; and

"(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### "ANNUAL CONTRIBUTIONS

"Sec. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By inserting the following after the first sentence of subsection (e) of section 10: 'With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of



Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further*, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year; and

"(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in

amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### "SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

"SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### "TECHNICAL AMENDMENTS

"SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By deleting from section 1 the words 'rural or urban communities' and by substituting therefor the words 'urban and rural nonfarm areas';

"(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency"; and

"(2) By adding the following new subsection 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency."

"(c) By adding to section 6 of the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act

of 1949 or by any other law thereafter enacted."

"(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word 'Provided' to a period; and by adding at the end of said subsection 10 (a) the following new sentence: "The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however*, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further*, That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe or sanitary housing available to families of low income: *And provided further*, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project."

"(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition."

"(f) By amending subsection 16 (2) to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract."

"(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State; and

"(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### "TITLE IV—HOUSING RESEARCH

"Sec. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"Sec. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practi-

cable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"Sec. 302. In carrying out research and studies under this title, the administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"Sec. 304. The administrator shall appoint a director to administer the provisions of this title under the direction and supervision of the administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

#### "TITLE V—FARM HOUSING

##### "FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"Sec. 501. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized, subject to the terms and conditions of this title, to extend finan-

cial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title, the term 'farm' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### "LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"Sec. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.



**"LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS"**

"Sec. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

"This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments in principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

**"OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS"**

"Sec. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one

individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

"(b) In order to encourage adequate family size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

**"MORATORIUM ON PAYMENTS UNDER LOANS"**

"Sec. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loans for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

**"TECHNICAL SERVICES AND RESEARCH"**

"Sec. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting

such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

**"PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN"**

"Sec. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

**"LOCAL COMMITTEES TO ASSIST SECRETARY"**

"Sec. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws of regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

**"GENERAL POWERS OF SECRETARY"**

"Sec. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled 'An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836),

as such Act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### "LOAN FUNDS

"SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### "CONTRIBUTIONS

"SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

"SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

#### "TITLE VI—MISCELLANEOUS PROVISIONS

##### "ADVISORY COMMITTEES

"SEC. 601. The Housing and Home Finance Administrator may appoint such advisory

committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

#### "AMENDMENTS OF NATIONAL BANKING ACT

"SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words 'obligations of national mortgage associations', a comma and the following: 'or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations'.

"(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in



an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose."

#### "NATIONAL HOUSING COUNCIL

"Sec. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### "AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

"Sec. 604. (a) The second proviso in the paragraph under the heading 'Federal Public Housing Authority' in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

"(b) The second proviso in the paragraph under the heading 'Public Housing Administration' in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

"(c) The first proviso in the paragraph under the subheading 'Public Housing Administration' in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### "DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

"Sec. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### "CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

"Sec. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### "CENSUS OF HOUSING

"Sec. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the

number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

"(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### "NATIONAL CAPITAL HOUSING AUTHORITY

"Sec. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### "DISTRICT OF COLUMBIA PARTICIPATION

"Sec. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"Sec. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered

into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local

public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### "ACT CONTROLLING"

"SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### "SEPARABILITY"

"SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### "GENERAL PROVISIONS"

"SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an or-

ganization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

And the House agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

BURNET R. MAYBANK,  
JOHN SPARKMAN,  
PAUL H. DOUGLAS,  
RALPH E. FLANDERS,  
HARRY P. CAIN,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment contained a provision that the contracts for financial aid made for slum clearance in communities for development and redevelopment purposes should require that preference in the selection of tenants for dwelling units built in the project area be given to families displaced therefrom because of clearance and redevelopment activity when such families desire to live in such units, and are able to pay rents or prices charged to other families for comparable dwelling units built as part of the same development. Neither the Senate bill nor the conference substitute contains a similar provision.

Title II of the House amendment provided for temporary extensions of title I of the National Housing Act and section 608 of title VI of such Act, and also provided for an increase of \$500,000,000 in the insurance authorization of title II of such Act. The Senate bill contained no similar provision. The conference substitute contains the language of the House amendment with a provision making the amendments effective as of June 30, 1949.

Titles III and V of the House amendment contained conflicting provisions with respect to veterans' preferences for admission into low-rent public housing projects. The conference substitute contains the provision with respect to veterans' preferences contained in title V of the House amendment

making the preferences applicable to World War I as well as World War II veterans. In general such preferences would be available to World War I and World War II veterans for admission to low-rent public housing projects without limitation as to the time the preferences run and in this respect the conference substitute is similar to the provisions of the Senate bill.

The House amendment provided for the construction of 1,050,000 low-rent public housing dwelling units over a period of seven years and authorized annual contributions in an amount not exceeding \$400,000,000 per year. The Senate bill provided for the construction of 810,000 dwelling units over a period of six years with annual contribution contract authorization of a maximum of \$308,000,000 per year. Both the House amendment and the Senate bill provided that the units to be constructed and the contracts for annual contributions both could be accelerated, upon a determination by the President after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy and that such action is in the public interest.

The House amendment provided that the construction of 150,000 units could be commenced annually, and that such amount could be so accelerated by an additional 100,000 units. The Senate bill provided that the construction of 135,000 units could be commenced annually, and such amount could be so accelerated by an additional 65,000 units. The conference substitute contains the provisions of the Senate bill providing for a maximum construction of 810,000 dwelling units over a six-year period and maximum annual contributions of not more than \$308,000,000 per year and the acceleration provision applicable to both, and also contains a provision limiting the commencement of construction of such dwelling units to not to exceed 200,000 units in any fiscal year.

The Senate bill and the House amendment contained provisions deleting the present requirements of law that any public low-rent housing project assisted under the Act must include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the project. The conference substitute retains the provision striking out these requirements, but, in lieu of the stricken requirements, provides that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved enters into an agreement with the local public housing agency providing that, with certain exceptions, there will be eliminated within five years after the completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided by project.

Title I of the House amendment contained a provision which provided that the wages to be paid mechanics and laborers employed in slum-clearance projects should be determined by the Secretary of Labor pursuant to the Davis-Bacon Act. Title III of the House amendment and title II of the Senate bill amended the existing provisions of law so as to provide that not less than the prevailing wages as determined by the Administrator be paid for work on projects. The conference substitute places the authority for the determination of wages to be paid mechanics and laborers employed in the development of low-rent projects assisted under title III of the bill in the Secretary of Labor. The provision of the conference



substitute conforms to the provision contained in title I of the House amendment and retained in title I of the conference substitute.

The House amendment contained a provision in the farm housing title authorizing the Secretary of Agriculture to make loans under sections 603 and 604 of the farm housing title in accordance with the provisions of the Bankhead-Jones Farm Tenant Act to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. The Senate bill contained no similar provision. The conference substitute in general retains the provision of the House amendment with modification to make clear that the loans would be made in accordance with the terms and conditions of the Housing Act of 1949 and such loans for enlargement or development would be authorized only to encourage adequate family-size farms.

The House amendment contained a provision authorizing the appropriation of \$12,500,000 for grants or loans pursuant to section 604. The Senate bill provided for grants under section 604 in the amount of \$25,000,000. The conference substitute authorizes an appropriation of \$25,000,000 to cover both grants for minor improvements to farm housing and buildings and loans made for land acquisition or development purposes.

The House amendment contained a provision enabling the District of Columbia to participate in the benefits provided by titles I and III of the Act but contained a provision that the Administrator could not enter into a contract of financial assistance under title I of the Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation was denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. The Senate bill did not contain a similar provision. The conference substitute follows the provisions of the House amendment except that the denial of financial assistance is conditioned upon a budget estimate of appropriation for a project transmitted pursuant to law and for which no appropriation was made by the Congress.

The House amendment contained the provision which appears in appropriation bills that no part of any appropriation, loan, fund, or expenditure authorized or provided by the Act could be used, directly or indirectly, to pay the salary or wages of any person who engages in a strike against the Government or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. The Senate bill did not contain a similar provision. The conference substitute makes clear that this prohibition only runs to an officer or employee of the Housing and Home Finance Agency or the Department of Agriculture, and thus avoids the possibility of this prohibition extending to even laborers on the projects as might have been the effect of the broad language of the House amendment.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

Mr. SPENCE. Mr. Speaker, I think the House is entirely familiar with the provisions of the bill and the conference report. We have brought back a conference report that contains provisions that are substantially the same as the House agreed to, and I do not think it is

necessary to prolong the discussion. The statement of the managers on the part of the House clearly and succinctly defines the differences and the amendments that have been agreed to.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. An amendment was introduced when the bill passed the House providing that first rights should be given to those moved from slum-clearance districts. We have examples of that in the District of Columbia where it is proposed to move people out, and not give them the right to go into the new units built as a result of the slum-clearance project.

Mr. SPENCE. That was taken care of in other sections of the bill.

Mr. PHILLIPS of California. Can the gentleman point those sections out to us?

Mr. SPENCE. There are provisions insuring the rights of people who have been removed contained in sections 105 (c) and 302.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. SPENCE. The provision of which the gentleman speaks was unnecessary. This law is going to be administered locally by the local housing authorities, and the amendment was unnecessary and impractical. It gave these people a vested interest in land that might subsequently be purchased. There is a provision that requires them to be taken care of during the progress of the project, and they would have the same rights as other citizens similarly situated to be housed in housing projects.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman does not believe that is any reason for rejecting this conference report, does he?

Mr. SPENCE. It would seem to me it would be unthinkable that that would be a reason to reject this conference report. The rights of people who have been mostly discussed were those of our Negro citizens. They have benefited more than any other segment of our people by reason of slum clearance and low rent public housing, and I have no complaint with that because I think on the whole they probably needed this assistance more. In my district they have an excellent project. It would certainly be an unseemly and unreasonable thing to attempt to destroy the housing program because of an amendment such as that which really should not be in here at all. It has no place here because there is nothing of a discriminatory nature provided in this bill, and those things might jeopardize the ultimate success of the whole program. I hope that those arguments will not be made against the conference report.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman understands there are a lot of people in the United States who are not Negroes and that they are also ones who, in many of the areas, have been

displaced by housing projects and not permitted to get back in for some reason or other.

Mr. SPENCE. I do not believe that the race question should be in here at all.

Mr. PHILLIPS of California. The gentleman raised the race question himself.

Mr. SPENCE. The same advantages to all are there. Those people are taken care of and there is ample provision in the bill to see that they are taken care of. Of course, they have to be housed while the project is progressing.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is very pleasing to note the inquiry of my friend from California when, if he had his way there would be no housing legislation at all and nobody would benefit.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to point out that the proviso mentioned by the chairman completely duplicates the following provision:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of an available to such displaced families and reasonably accessible to their places of employment.

I do not know how you can state preference any more clearly. Also, it is provided under section 302 (g) that they shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rates, shall extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency.

Then the veterans and their families are given the first preference among the slum dwellers who are displaced.

Mr. JAVITS. May I ask two questions: First, does the chairman believe that if the House conferees had insisted on this amendment it would have been an insuperable obstacle to agreement with conferees on the part of the Senate?

Mr. SPENCE. I do.

Mr. JAVITS. Second, does the chairman have assurance that in the administration of this act, if we pass it, the policy of the so-called Powell amendment will in effect be carried out?

Mr. SPENCE. I do not see any reason for discussing discrimination at all. There is no discrimination in the act and there is nothing that could lead to discrimination in the act. It seems to me we are dragging in a red herring to take

the minds of the Members off of the real issue which is, Do we want slum clearance and subsidized low-rent housing? That is what we are trying to bring in here, a housing bill. The only way we could bring it back here is in the manner it has been brought back with the provisions of the bill as they now exist.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when the bill was under consideration in the House the statement was made that it did not make very much difference what amendments the House adopted, that it was expected that the Senate bill in principle would come back as a conference report. And, that is what has happened. So far as the principle of public housing is concerned, as has been said, it did not make very much difference whether the bill provided for 1,050,000 units or 810,000 units or 1,000 units. Once you adopted the principle and policy of the Federal Government embarking on this activity, then it is expected that the program shall be expanded sufficiently to take in every community in the United States. It is only fair and right that if we clear the slums and provide for low-rent housing in one particular section of the United States, that all of the remaining sections have a right to expect that Congress will make provision for similar programs.

As the chairman of the committee has said, the conferees reduced the amount of public housing from 1,050,000, which the House provided, to 810,000. They eliminated the Powell amendment, and according to the statement of the managers on the part of the House neither the Senate bill nor the conference substitute contains a similar provision. Of course, we can argue all we please about other provisions of the bill taking care of the Powell amendment, but the statement of the managers on the part of the House specifically says that there is no similar provision in the substitute adopted by the conference. I think that answers that.

Now, there is one provision in the conference report that was not in the House report, which I think is highly desirable, and that is the provision that in substance requires the demolition of a unit of substandard units, slums, as we might well call them, for each new unit constructed. Contracts must provide that for each unit of low-cost housing construction which is designed to eliminate slums that during a 5-year period there must be a comparable number of slum units demolished. This is highly desirable. In that respect the bill is very much better than the one that the House passed.

In the farm title the conferees accepted the Senate bill which provided for \$25,000,000 for loans and grants instead of the \$12,500,000 contained in the House bill, and other changes were made which did not change the principle involved very much.

In the so-called Jensen amendment, which was the last amendment adopted, and provided for affidavits on the part of any person employed in slum clearance or low-cost housing, the conferees

deleted the word "person" and provided that the non-Communist affidavits, and so forth, apply to only officers and employees of the Housing and Home Finance Agency and the Department of Agriculture. We might just as well have stricken out the whole Jensen amendment, because that narrows the application of the Jensen amendment to existing law. Existing law provides that all employees and officers of the Government must file anti-Communist or loyalty affidavits. By restricting this language to officers and employees of the Housing and Home Finance Agency and the Department of Agriculture, of course, it brings it right back into line with existing law, so there is absolutely no necessity for legislating in that respect. We have already provided for that.

The bill continues for 60 days title I and title VI, about which we have had very many questions, so that title I, FHA, which insures modernization loans, and title VI insurance, will be continued for a 60-day period. We also increase the amount of insurance available under title II by \$500,000,000.

I think you can give your constituents reasonable assurance that the conference report will be adopted by the House and by the Senate, and I would assume from the statements which have come to us from the White House that you can give them positive assurance that the President will sign the bill, thereby continuing title I and title VI for at least 60 days.

The bill is just as bad as it was when it left the House. It is better in only one respect. It was bad then and it is bad now. That is the reason why the three of us managers on the part of the House on this side did not sign the conference report and still oppose the bill.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, the gentleman from Michigan has made some reference to the change in language in the amendment I introduced and which was adopted by an overwhelming vote in this House when the bill was before the House on the 29th of June.

Every appropriation bill which this House has passed during this session of the Congress and the last session of the Congress had incorporated in them an almost identical provision as my amendment to the housing bill. I simply took the language which was in the appropriation bills and added the necessary language to make it apply properly to this bill.

I felt it was necessary to have this provision in the bill in order to prohibit people who advocate the destruction of our form of government by force and violence. This bill when enacted into law will be in effect 40 years, and the Congress will have little or no opportunity to further exercise its will over the law nor over the appropriations to implement the law as we ordinarily do each year in appropriations bills.

I was very anxious, and the vote in the House proves that the membership was also anxious by a vote of 283 to 129, to have my provision inserted in the bill.

The conferees, however, saw fit to add language restricting the provisions of the amendment to affect only the officers and employees of the Housing and Home Finance Agency and the Department of Agriculture.

Now I ask the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], why this new language was inserted in this particular bill in face of the fact that the Housing Agency has been subjected to severe attack for being a haven for left wingers and radicals of every shade from pink to deep red.

Mr. SPENCE. The language which was inserted in the gentleman's amendment would apply not only to those people who are permanently employed in the Housing Administration and in the Department of Agriculture, and who are charged with the duty of executing this law, but would apply to every laborer, every ditch digger, and every mechanic. We thought that would be entirely impractical. Personally I do not think it makes so much difference, because I think a man who is disloyal to his country would not tell the truth about it. That is my personal opinion. That is the reason it was stricken out.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JENSEN. Why, the Department of the Interior has many thousands of laborers working constantly in the construction of dams and electric power lines, and so forth, the War Department has many thousands of laborers working constantly for them on river-improvement construction, as do other departments of the Government.

Mr. Speaker, it appears very plain that certain Members of this House of Representatives work overtime to give aid and comfort to all the radicals and pinks and commies in the country. So the rest of us must fight hard with what weapons we have against odds which are almost insurmountable. One thing is certain—we will never give up the fight to rid this Nation of its avowed destroyers.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the gentleman's amendment would seriously hamper and interfere with private business. It would not only include hod carriers and any person who worked 1 day or half a day on a project, but it would include bankers who were handling the bonds as brokers. I do not believe the gentleman would like to require 50 or 100 bankers, who are in competition with one another in the purchase of these bonds, all to subscribe to this affidavit when only one could be the successful bidder.

Mr. JENSEN. I would be tickled to death to have them do so.

Mr. PATMAN. And handle this small amount of bonds. The commissions are very small. It includes not only bankers and brokers and hod carriers, but a person who sells one dollar's worth of merchandise to a project. If it happened to be a partnership with 15 or 20 members, each of them would have to make



an affidavit that they were not Communists before they could sell one dollar's worth of merchandise to these projects. Local people will have charge of it, and we must assume that they are honest and patriotic American citizens and will not harbor pinks and Reds. I assure the gentleman there is not one single member of our committee who is in favor of the pinks and Reds. We are just as much opposed to them as any person. No one person has a monopoly on the opposition to pinks and Reds in this country.

Furthermore, if the gentleman wants additional safeguards, the money appropriated each year—the maximum amount will be \$308,000,000 a year—will have to be appropriated, and proper safeguards can be placed on each appropriation bill, to guard against any fears that the gentleman may have. That will be an additional place where safeguards can be made.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman knows that he has voted for 11 appropriation bills during this session of Congress, 8 regular and 3 deficiency bills, and in each of those was this language, with no limitation.

Mr. PATMAN. I know, but you are dealing with a different situation.

Mr. JENSEN. No; you are not.

Mr. PATMAN. It covers everything and everybody in the way it should be covered. You do not want to include a 50-cent purchase of merchandise in this. You have to go to a notary public and make an affidavit before you can sell 50 cents worth of merchandise.

Mr. JENSEN. That would be O. K. with me.

Mr. PATMAN. You would have more affidavits than you would have housing.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. PATMAN. If the gentleman wants to destroy public housing and make it so that the public-housing authorities could not operate, that would be a good step, but we should want to interfere with the local housing people just as little as possible. We must assume that they are just as patriotic as we are. At least, they should be.

The gentleman from Michigan [Mr. WOLCOTT] in his statement that we capitulated and brought back the Senate bill, did not make an accurate statement. There are several important features that are different from the Senate bill, and very much in our favor. For instance, titles I and VI expired June 30, 1949. The Senate bill did not have a provision to extend those titles. The House bill did contain such provision, and, in addition, an authorization of \$500,000,000 more under title II. They were out of money. So the bill not only extends titles I and VI for 60 days, until the committees can pass upon the extension of those titles permanently or for a longer period of time, but we dated them back to June 30, 1949. In other words, there has been no hiatus in the acts at all.

They continue on from June 30, 1949. That is a substantial change, and very much in favor of the House.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WOLCOTT. I explained that. I think if you will read my remarks you will find I said that the Senate bill, in principle, was returned. I did not want to indicate that the conference was exactly like the Senate bill, because I explained many differences between the House and Senate bills.

Mr. PATMAN. I am glad to have the gentleman's explanation. I did not understand it that way.

I know we doubled the amount for rural housing, that is substantially, a 100-percent increase. We granted a \$500,000,000 increase in title II. We dated the titles back to June 30, 1949. I think these are all substantial changes. I hope that the conference report is agreed to.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the controversy on the conference report is the same as the controversy on the bill; those who were against the bill are against the conference report for one reason or another, and those who were for the bill are for the conference report.

The conference report does in substance carry out the Senate bill; and that, I think, is generally what the House intended as a reasonable housing program. It carries out also the provisions of the bill introduced by 10 House Republicans, including the provisions for the extension and added financing of FHA, which we think are very important. I feel also that we will continue to press for action on housing for the lower middle-income families, which is not contained in this bill, but which was first provided for in the bill introduced by the 10 House Republicans, later joined in by similar bills introduced by 22 Democratic Members.

I hope those who voted for the bill will vote for the conference report and that it will be adopted.

Mr. SPENCE. Mr. Speaker, we have no further requests for time. I therefore move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

#### SADAKO TAKAGI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 623) for the relief of Sadako Takagi, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadako Takagi, the Japanese fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in

Waukesha, Wis., and a retired United States Army officer of World War II, and that Sadako Takagi may be eligible for a visa as a non-immigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Sadako Takagi is coming to the United States with a bona fide intention of being married to said Lt. William M. Marutani, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of said Sadako Takagi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadako Takagi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadako Takagi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The amendment was agreed to.

A motion to reconsider was laid on the table.

#### JACOB GROSS, A MINOR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That for the purposes of the immigration and naturalization laws Jacob Gross, a minor orphan grandchild of Rabbi Solomon Horovitz, of New York, N. Y., shall be deemed to be the child of said Rabbi Solomon Horovitz."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS AND INDEPENDENT AGENCIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the

House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself such time as I desire.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 1689) which increases the rates of compensation of the heads and assistant heads of executive departments and independent agencies. It provides for 1 hour general debate.

Mr. Speaker, I take it for granted that most of the Members are familiar with the bill and its purpose. The President has requested, urged, and pleaded for this legislation so that he might keep some men who are ready to resign and who are needed in the most important positions of our Government. As a matter of fact, some very able men have already resigned.

Originally the bill included an increase for employees of the District of Columbia and the Foreign Service, but these two categories have been taken care of by the House previously. This bill will provide an increase in salaries amounting to \$1,237,000. I have the list of the increases provided for in the original bill, and I have also the list of the reductions that have been made by the committee that reported this bill. I am of the opinion that the committee has done a splendid job. They have reduced many of the proposed increases from \$25,000 to \$20,000; some increases have been reduced by \$5,000, by \$3,000, and others by \$2,000. I think they had in mind to try to hold down expenditures to the utmost.

In view of the very earnest and careful consideration that has been given to this bill and the reductions that have been made by the committee in the proposed increases provided and asked for in the original bill, I do not think that we can do any better, as I said before.

Mr. Speaker, our Government is the greatest organization in the world. It is obliged to legislate for approximately 150,000,000 people, and our Government transacted \$142,000,000,000 worth of business last year. Its President and its directors and those in charge of governmental affairs in safeguarding and protecting the country's interests as well as those of its people, are obliged to cope daily with the most astute and capable representatives of our great industrial and financial organizations. The President, as head of this tremendous organization, must by necessity have able and capable men to aid him in carrying out his duties and responsibilities.

Mr. Speaker, this bill provides for a much-needed increase in the salaries of the President's aids and those upon whom he relies and trusts for the vast amount of important duties and functions that transpire daily. They are his household.

The increases provided for in this bill and many others have been recommended by the Hoover Commission, which engaged over 200 experts to investigate and recommend the ways and means for bringing about economy in our great Government. This bill does not go as far

as the Hoover Commission report suggests, which Commission, incidentally, has spent almost \$2,000,000 in its research and investigations. This bill provides for 244 increases. The gentleman from Kansas [Mr. REES], former chairman of the Committee on Post Office and Civil Service, feels that there should be at least 60 more, and I say at least 100 additional increases, for I feel that many of those not included but that should be, are those that do the hardest and most important work. This also applies to those attorneys employed by the Department of Justice, whose salaries should be increased by virtue of the fact that they are obliged to continuously cope with the most astute and able corporation lawyers in the country, many of whom receive five and six times as great a salary as does the Government attorney.

I fully appreciate that the Government cannot compete with private industry in that they cannot compensate their employees as much as private industry can afford to pay. It is indeed unfortunate that many of these industries have and are continuously hiring many of our Government officials at two and three times the salary that the Government is paying them. I regret it is possible for industry to deprive the Government of many experienced men that we have had from time to time, especially in the Department of Justice and the Bureau of Internal Revenue. I have frequently criticized the practice of private industry in taking from the Government its most experienced men, for the purpose of obtaining information. Frequently these men have information and experience, as well as knowledge, which private industry feels would be beneficial to them.

I fully realize, Mr. Speaker, that some Members feel that the salaries of many other worthy individuals should be increased, notwithstanding this bill, that is, our district court judges, Congressmen, and Senators. Congress, as you all know, increased its salary a few years ago and made allowances for additional clerk hire.

In this bill, for example, we increased the salaries of the Federal Trade Commissioners, who for years received only \$10,000 per year, and the President was obliged to plead with these commissioners to remain in the service of their country, because their salaries have not been increased since 1914, or 35 years. There are many others whose salaries have not been increased in 35 years, and others in 24 years, whose salaries are being increased in this bill, and rightly so. Therefore, I feel that this long-delayed and present increase is more than justifiable.

The only objection that will be made, and I know it will be made by the gentleman from Ohio [Mr. BROWN], is that we wait until all the other Hoover Commission recommendations are adopted. In answer thereto, I will state that some of their recommendations have been approved, but unfortunately they are conditional and will require final approval by the House and no one can tell if such action will take place before we adjourn. Consequently, I feel that Mr. BROWN's viewpoint is not justified, especially in view of the fact that this bill had been

introduced 6 months ago and the application for a rule was made last April. I withheld action on the rule in order to obtain the opinion of the American people. In this regard, I received letters from a great many people all over the United States who approved this legislation, and approximately 2 percent from people who were opposed to it. Consequently, I have called the rule up now for your consideration and action on the bill.

There are some other gentlemen who feel that because of economic conditions they oppose this bill. It seems to me, however, that most of these people are opposing this bill for the purpose of stressing the so-called business recession. I think their opposition is purely political because I do not feel that we are in any danger of a recession. As I have maintained, we are producing more than we ever did in peacetime, and this, notwithstanding the hue and cry of unemployment. As a matter of fact, we had, in June 1949, 59,319,000 people employed in this country, nearly 60,000,000. All this as against 61,615,000 employed in June of 1948, or a drop of less than 2,000,000, and this is one-half the average unemployment figures even in times of the greatest employment. We will always have that number and a greater number of unemployed due to a variety of conditions, such as illness, seasonal shifts, and the like. Other unemployment will be brought about and has been brought about as a result of strikes under the Taft-Hartley Act—which these very gentlemen claimed would eliminate strikes.

Our business and commerce is in splendid shape. Surely we have forced down some of the unjustifiably high prices which some of the industrial leaders naturally dislike, but upon examining their profits, these reductions in cost of living are justifiable and warranted.

I have before me figures showing the profits of 15 of the 25 largest corporations in America for the first quarter of 1949, and the comparative figures for the first quarter of 1948 as taken from Moody's Investor's Service Report. They certainly indicate a healthy increase over 1948.

	First quarter, 1949	First quarter, 1948
General Motors Corp.....	\$136,763,338	\$96,481,412
United States Steel.....	49,928,670	27,857,341
E. I. du Pont de Nemours.....	43,581,325	30,195,371
Socony Vacuum Oil Co.....	26,000,000	33,000,000
Texas Co.....	28,870,111	27,974,839
Gulf Oil Co.....	26,973,000	38,517,000
General Electric Co.....	26,702,978	25,389,149
Standard Oil of California.....	37,389,082	37,106,904
Bethlehem Steel Co.....	33,129,574	15,499,331
Cities Service Co.....	18,510,903	19,976,576
Union Carbide & Carbon Corp.....	24,529,419	23,019,722
Sinclair Oil Co.....	15,000,000	21,000,000
Westinghouse Electric Co.....	10,896,921	13,135,789
American Tobacco Co.....	10,648,000	7,495,000

<sup>1</sup> Estimated.

I also have some figures that I obtained from the Coordinator of Information of the House of Representatives which indicate further that a recession is not around the corner:

Cash dividend payments first quarter 1949 compared with same period 1948

Cash dividend payments:  
First quarter, 1948..... \$1,284,000,000  
First quarter, 1949..... 1,384,000,000



There was a net increase of 8 percent in dividends paid in 1949 over 1948.

The net income of 52 corporations engaged in retail trade for the fiscal year ending in the first quarter of 1949 was \$360,000,000.

For the same period in 1948 the net income was \$306,000,000.

The increase in net income in 1949 over 1948 was 17.4 percent for these 52 corporations.

The total assets of these same corporations increased in the first quarter of 1949 to \$3,064,000,000 from \$2,752,000,000 in the same period in 1948.

This is an increase of 11.4 percent.

I intensely dislike calling your attention to the fact that in 1947, when the private interests attempted to kill the housing bill, rent-control bill, and labor bills, big industry started to lay off men in many instances, and started to create a recession and the resultant unemployment. Naturally, the Wall Street stock speculators and manipulators have then and are taking advantage of it now in an effort to hammer down the price of stock and even bonds. But that is all speculation and does not truly reflect the actual business condition of our country, because these gentlemen are purely and solely gamblers and almost 95 percent of these transactions are speculative; less than 10 percent are legitimate sales.

I promised that I would insert in the RECORD a statement showing the various increases in this bill which I have prepared and which I now insert. As I have stated, the Committee on Post Office and Civil Service has brought about the reduction of many increases that were contained in the original bill.

#### COMPARISON OF SALARY CLASSIFICATIONS IN THE ORIGINAL BILL AND THE COMMITTEE BILL

Section 1: No change in the basic compensation provided for the heads of executive departments and the Secretary of Defense, \$25,000 per year.

Section 2: Executives listed under this section in the original bill were to receive \$22,500 per year. Under the committee bill they receive \$20,000.

Section 105 amended. The following changes were made in the pay of executives listed under this section:

Two White House secretaries reduced from \$22,500 to \$20,000.

Three White House secretaries reduced from \$20,000 to \$18,000.

Seven White House secretaries reduced from \$17,500 to \$16,000.

Section 3: The executives listed under this section in the original bill were to receive \$20,000. The committee bill reduced this to \$18,000.

One exception: The original bill provided \$22,500 for the Chairman of the Atomic Energy Commission. The committee bill provides \$18,000.

Another group of executives listed under this section in the original bill were to receive \$20,000. The committee bill reduced these to \$17,500.

Section 4: The executives listed under this section in the original bill were to receive \$17,500. The committee bill reduces them to \$16,000.

There are two exceptions in this section. The original bill provided \$20,000 for the Board of Governors, Federal Reserve, and for members of the Atomic

Energy Commission. The committee bill reduces these to \$16,000.

Section 5: The executives listed under this section in the original bill were to receive \$17,500. Under the committee bill they will receive \$15,000.

The committee bill adds the following executives who were not included in the original bill, to receive \$15,000: Commissioner of Internal Revenue; Director, Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Immigration; Director, Rural Electrification Administration; Social Security Board; Reclamation Commissioner; Soil Conservation Commissioner; collector of customs; United States Forester; three special assistants to Secretary of Defense.

Mr. Speaker, I am hopeful that this rule will be passed unanimously for it provides for much-needed legislation as I said before—legislation that is pointed in the right direction.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, at the present moment I find myself in one of the most difficult positions that I have experienced since I have been a Member of this House. So I hope I may have as much of your attention as possible under the rather unsatisfactory conditions which prevail here in this temporary Chamber.

As many of you know, I was the author of the legislation which created the so-called Hoover Commission, and have served as a member of that Commission for the past 2 years, and up to the termination of that Commission last month. This legislation comes here, I presume, with the recommendation of the President, that it be enacted into law. In many ways it is, in substance at least, in line with the general recommendations of the Hoover Commission.

In the very beginning I should like to point out that the Commission did not make any definite recommendation as to the amounts or percentage of increases which should be granted to various high-ranking officials in the executive branch of the Government. However, the Commission has pointed out, in its report, that the salaries of the lower grades of employees under the civil service have increased from 43 to 56 percent, while the salaries of those in the highest grades under civil service have been increased by but 15 percent.

Then, after the Commission recommended that a careful study of the pay schedule for higher Government officials be made, it went ahead to say, and I quote:

Similar action is considered essential for other top positions throughout all branches of the Government. Salaries for Cabinet officers have not, for example, been changed since 1925.

To continue to quote from the Hoover Commission recommendation:

This is indefensible. Government can never compete on a dollar-for-dollar basis with private industry for persons for its top positions. It can and should, however, treat such persons in an equitable manner. This it is not now doing.

Then in another recommendation the Hoover Commission discusses the career employees, and in recommendation No.

11, on Personnel Management, the Commission says:

Congress should raise the present salary ceiling of \$10,330 for career employees. At the same time it should increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

So I am not now contending that some increase in compensation for the benefit of the higher officials of the executive branch of the Government is not needed or is not justified. Of course, I must contend it is extremely difficult for the Congress, or for anyone else, to attempt to say what a Cabinet officer should receive in the way of compensation, or what salary some other important official in the executive branch of the Government should receive. We had recommended to us, as a Commission, a suggested pay schedule for different public officials. Under the suggested pay schedule, it was recommended the President should have an annual salary of \$150,000, Vice President \$50,000, Justices of the Supreme Court \$35,000, the Speaker of the House \$25,000, Senators and Representatives—if you are interested—\$20,000, heads of executive departments, \$25,000—which means the Cabinet members—Under Secretaries \$20,000, Assistant Secretaries \$17,500, heads of independent agencies \$17,500, and top career employees under the classified service \$15,000.

The Hoover Commission came to the conclusion, after a great deal of consideration and deliberation, that it should not recommend to the Congress just what executive officials should have their pay increased or by how much.

As you can see, this pending bill would increase compensation of certain officials by as much as 75 percent, so that a great many of them would be paid considerably more than Members of the House or Senate, and in many instances much higher pay than the judicial officers of the Government.

But as I said a moment ago, no one can tell what pay any public official is really worth. I have known Cabinet officials who, in my opinion, were worth 50, 100, or even a thousand times as much to the Government as the salary they were receiving. I have known other Cabinet officials where, in my opinion, the Government would have been better off to have paid \$100,000 or so to have them resign their positions and go home.

It has been my contention, and I believe it was the conviction of the Commission, that about the best the Congress can do is to try to fix a pay schedule which will permit a Cabinet member, or any other high official of the executive branch of the Government, to be self-supporting while in office; so it would not be necessary for them to borrow money; so that they could live in a decent way on their salaries. In other words, it should not be necessary or essential for a person to be either a rich man or a crook in order to afford to hold some of these positions.

I think the committee, and properly so, has fixed the salary schedule for Cabinet members at \$25,000. I have no objection to that. My whole criticism of this legislation, and I do have criticism of it, is its timing. The Hoover Commission

did recommend an adjustment of the salaries of higher officials in the executive branch of the Government. But the Hoover Commission also made a great many other recommendations. In fact, they made 317 other recommendations as to how greater efficiency and economy can be obtained in the operation of the Federal Government, insofar as the executive branch is concerned.

I am quite fearful that this bill is not timed properly. I am terribly concerned that if the first, or almost the first, of the Hoover Commission recommendations to be made effective is a law to increase salaries, that the charge may be made that the only interest of either the administration or the Congress has in the Hoover Commission recommendations is in those particular recommendations which would increase the cost of Government rather than decrease it.

The President has recommended this bill. He has acted under his proper rights and powers. But the President has also recommended a great many other measures to us. He has sent to the Congress a number of reorganization plans which, under the law that we enacted, the Reorganization Act of 1949, cannot possibly become effective under 60 days, or before August 19, unless the Congress should enact a joint resolution approving such plans.

We have a number of bills now pending before the Congress to carry out, or to put into effect, the recommendations of the Hoover Commission. As a member of the Committee on Rules, I had proposed that we not bring out this bill until we had first had the time and the opportunity to pass upon the President's reorganization plans, as he submitted them, and to otherwise bring about greater economy and efficiency in the executive branch of the Government; or at least until we have had an opportunity to enact and send to the President legislation such as, for instance, the bill for the reorganization of the Military Establishment, now before the Armed Services Committee, which would save a billion or \$1,500,000,000 a year, following which we could, in good conscience, point out to our constituents and the folks back home that one of the first steps we had taken was to put into effect the recommendations of the Hoover Commission which will bring about greater efficiencies and economies in the Government, and therefore, we feel that the men who will be responsible for making these new reorganization plans effective and workable are entitled to fair compensation.

Just one other thought. We have covered at least a great part of the waterfront in this legislation. But not all officials of the executive branch are covered. While I think the committee has done a pretty fair job, I believe there are some instances where perhaps some officials have been given larger salaries than deserved and have missed a few officials who are entitled to consideration. But remember one other thing. Until the President and the Congress have had an opportunity to study and to put into effect the reorganization plans as recommended by the Hoover Commission, we are not at all certain just what many of

these officials will have to do, or what their responsibilities will be. In fact, we will not know whether some of them will even be in office. It seems to me it is only good, sound common sense to have postponed consideration of this legislation until we first had an opportunity to put into effect the economies and efficiencies which the Commission proposed and which the President suggested in his reorganization plans. Certainly the President, who has sent us his reorganization plans, is just as desirous of having them approved by the Congress as he is in having this one bill enacted. In other words, I think we are considering this bill at the wrong time. The President, in recommending passage of this legislation, I am sure, had in mind that he also wanted these other reorganization plans and these other Commission recommendations made effective, so as to obtain the economy and efficiency in the Government that we desire.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. McCORMACK. I think my friend will admit that the President recommended increases in the executive branch before the Hoover report was made in its final report.

Mr. BROWN of Ohio. Yes; that is correct.

Mr. McCORMACK. So I think it is fair to say that the President probably knew in advance what the Hoover Commission recommendations would be, and I think it is safe to say that he did this independent of it.

Mr. BROWN of Ohio. No; I do not think so.

Mr. McCORMACK. Well, in any event, it was made before the final report was made.

Mr. BROWN of Ohio. Yes.

Mr. McCORMACK. Furthermore, I think the gentleman will admit—and I want to compliment him for the excellent work he did on the Commission, and Mr. Carter Manasco, for the way they represented with dignity and strength the House of Representatives. I think the gentleman will admit that we passed the General Property Administrative Act, which of course is one of the recommendations of the Hoover Commission.

In relation to the seven reorganization plans, what the gentleman said in relation to affirmative action by the Congress before 60 days, carries great weight. I can assure the gentleman that if the situation arises where that can be accomplished, I would be very interested in having it done, particularly if that would expedite adjournment of Congress.

Mr. BROWN of Ohio. I had that in mind, I might add. I thank the gentleman very much.

Now, I want to bring out one other thought. We now have a number of bills before the Congress to increase the pay of numerous other Government workers. The pressure for these increases has been pretty strong. Such employees have received pay increases in the past while many individuals covered by particular legislation have received no pay increases. But just the minute that this pending bill is enacted into law

the pressure and the demand for the increase of pay for other Government workers is going to increase tremendously. At this moment we are faced with a great steel strike. There are many other demands for increased pay in industry. So I am still wondering, and still asking the question—and it is a question each Member of this Congress will have to answer for himself—whether or not this is the proper time to take this particular salary-increase action. We all want to see these top-ranking officials treated fairly. Perhaps they should have some assurance given to them that they are to receive fair consideration at the hands of the Congress. But I doubt the wisdom of passing this bill before we are able to point out to the American people the many savings we have made through putting into effect the President's reorganization plans and the recommendations of the Hoover Commission.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CASE of South Dakota. I appreciate the gentleman's yielding, because I want to call the attention of the Members to the fact that this bill does some strange things: The Director of the Federal Bureau of Investigation and the Director of the Central Intelligence Agency today each receive \$14,000. This bill proposes to give the Director of Central Intelligence an increase from \$14,000 to \$17,500, whereas the Director of the FBI is raised from \$14,000 to only \$15,000. At the same time, however, it puts the Director of the Administrative Office of the United States Courts up to \$17,500, an increase from his present salary of \$10,330; that is, it puts the Director of the Administrative Office of the United States Courts on the same level as the Director of Central Intelligence, but the Director of the FBI is put on the level of the Public Printer, at \$15,000.

Mr. BROWN of Ohio. I assure the gentleman that it is indeed a very difficult task to attempt to decide just what salaries should be increased and what such increases should be. As I have tried to point out this morning, the basic issue involved in the consideration of this legislation is one of timing. And I do not believe this is the proper time to consider this bill.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SABATH. As to the timing, the bill has been reported and has been in the Rules Committee for nearly 2 months, held there because it was my desire to ascertain from the country how the country felt about this great question. Issues have been made and the question was raised whether it was proper or not. Let me say that up until now I have not heard anyone objecting to the passage of the bill; on the contrary, I have heard from hundreds of people who feel that it is justifiable and that it should be passed at this time.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks. I might add that I, also, have heard from literally thousands upon thousands of American



citizens who are vitally interested in putting into effect the recommendations of the Hoover Commission and to thus bring about greater economy and efficiency in the conduct of the public business. I have also heard from many thousands of citizens who are saying that in the face of present deficit in the Federal Treasury, and the decline in the Nation's business activity, that we must practice economy and efficiency.

My one thought has been, and still is, that we should first demonstrate—before enacting legislation like this—to the people of America our great determination here in the Congress, and the desire and determination of the President, to get greater economy and efficiency in the operation of the Government by actually effectuating the Hoover Commission's recommendations through the prompt enactment of necessary enabling legislation.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MILLER of California. I wish to call the gentleman's attention to the fact that the first legislative consideration of this question was by the committee of the Senate in the Eightieth Congress, a committee headed by Senator Flanders.

Mr. BROWN of Ohio. I understand that; I am fully informed on the history of the legislation. I thank the gentleman very much for his remarks, but I must hasten along, as I have so many requests for time.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. REES. These thousands of letters received by the distinguished gentleman from Ohio were not with respect to this measure but with respect to putting into effect the Hoover recommendations, were they not?

Mr. BROWN of Ohio. Absolutely, yes; my correspondents were all interested in getting more economy and efficiency in the executive branch of the Government.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. O'HARA of Minnesota. Will the gentleman tell us what the over-all cost of this bill will be?

Mr. BROWN of Ohio. That information is given on page 3 of the report. I think it will cost about \$1,237,177.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. BROWN of Ohio. It is not the cost of this bill which gives me the greatest concern. It is simply the principle involved, and the fear that many of the good people of our country may misunderstand our action. They are interested in less public spending rather than more. Let us first demonstrate to them our interest in making our Government more efficient and less costly. Then they will gladly approve any action we may take to fairly pay and properly compensate those who can run our governmental agencies in an efficient and economical manner.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, at the outset of my remarks I beg to be permitted to congratulate our distinguished friend from Ohio [Mr. BROWN] for the statement he has made. The temper of his remarks is splendid and I think I may make the observation on the point he stresses that I get the impression that the President has great respect for the report of the Hoover Commission and that it is reasonable to suppose he will continue to recommend legislation which would put more of the recommendations contained in that report into effect. Obviously the whole program cannot be adopted at one and the same time. You have to do it by piecemeal.

Mr. Speaker, if, as a Member of this House, I have not established a reputation for candor and independence of thought, then I fear that what I have done has been of too little consequence to merit attention. But whatever the fact may be, I do feel that I have established the right to appeal to the conservative membership of this body, which I now do.

The bill which the pending resolution makes in order is not political in character, and I hope it will not be treated as such. It comes to us as a request from the President for the increase of the salaries of members of his official household and others for whom he is responsible, and by reason of its very nature it is a request that amity and mutual respect compel us to honor. We need to promote harmony and conciliation and to cherish mutual good will as between the Executive and the Congress.

This is not an ordinary recommendation for legislation. Only the question of salary for a comparatively few people is involved. We pass laws which the President is compelled to execute, and here it is said that in the performance of this duty, in order to keep good and efficient people, and to attract others, salaries should be increased, and since we determine these questions for ourselves by fixing our own salaries and those of our employees, are not the President's wishes entitled to special consideration? To fail to honor this draft which he has drawn upon the good will of this body would, in my opinion, be a thoughtless disregard of ordinary propriety.

The greatest good that we can do our country is to do our part in promoting good will and drawing together the three departments of Government into a bond of mutual understanding and good will and win the confidence of all the people in order that we may present a solid front to that part of the world that is hostile to our way of life.

The office of the Presidency is a difficult one to fill. While it is a place of splendor, fame, and power, it is also a place of infinite toil. The present occupant of this high station wears his honors with becoming dignity and exercises his powers with great caution. He takes praise with great modesty and bears criticism and calumny with extreme patience. I think he is entitled to our support in all instances where we do not divide on principle. I think this salary bill is one that we should all support.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, in discussing this bill, we are considering the rate of compensation of the men who are responsible for carrying out the policies determined upon by this Congress, the men whose qualifications and ability play a large part in determining whether these policies succeed or fail. We are considering the salaries of senior officials of the largest business in the world, the United States Government.

I do not need to quote figures to illustrate the discrepancies between the present salaries of these men and those of officers of other large businesses. This discrepancy is so well known that the Congress should have done something about it sooner. How many large corporations have a president, who could be secured for \$15,000 per annum? More pertinent perhaps is the question: How many qualified men could they find who would be willing to serve for such salaries? And yet those are the salaries now paid to men who are responsible for the lives, safety, and well-being of 150,000,000 stockholder citizens.

We do not mean to say that the salaries of these officials should be commensurate with equivalent positions in private business. This is not necessary to enable the President to obtain qualified people. I like to think that every American is anxious to serve his country when called and that we do not have to offer what he can earn elsewhere as an inducement. However, the compensation must be sufficient to enable qualified men to accept important positions with the Federal Government at not too great a personal sacrifice.

General Marshall, when he was Secretary of State, said on several occasions that he was unable to attract the caliber of top staff required in the conduct of foreign relations because of the low salaries which he was able to offer. He added that he was also unable to keep a number of able employees in the Department because he was unwilling to ask them to stay at the expense of their financial security.

The Congress has recognized inadequacies of top Federal salaries on numerous occasions. Perhaps the most striking example, in the field of foreign relations, was embodied in the Foreign Service Act of 1946. A new scale of ambassadorial salaries and allowances was authorized. These salaries ran to \$25,000 a year for class I posts, such as London, Paris, and so forth. The act also provided that the top class of Foreign Service officers should be paid \$13,500 a year. Under the provisions of this act, top officers are brought in from the field to work beside other officers receiving \$3,000 less per year.

In the act establishing the Economic Cooperation Administration, the Congress also provided for salaries beyond those which have been traditional in the Federal service.

It is impracticable to deal with the salary problem on this piecemeal basis. Inevitably, it results in inequities which tend to aggravate rather than solve the difficulty.

The problem of obtaining and keeping able men in the positions covered by this bill at the present salaries is not a theoretical one. It is one that has arisen many times in the past. We cannot estimate how many men have turned down requests to serve because they could not afford the financial sacrifice. Many who have served their country well and whose loss has been a great misfortune have had to resign because they could no longer afford to support themselves and their families. To mention only a few, there was the late Harold Smith, competent and able Director of the Bureau of the Budget, who found he could not make ends meet on a \$10,000 salary; Gen. John H. Hildring, former Assistant Secretary of State; and Mr. Robert Freer, former Commissioner of the Federal Trade Commission.

We now have an opportunity to rectify this deplorable situation. The total cost for the Government in all departments will be \$1,237,173 annually. This is, indeed, a small price to pay.

May I point out to you that everybody agrees that the Secretary of State should receive at least \$25,000 a year. To me the Under Secretary of the Department of State would be underpaid at \$20,000 a year, considering the work and the responsibilities he has to assume. The Administrator for Economic Cooperation under this bill, to paraphrase Mr. Hoffman himself, is the biggest bargain the United States ever got for \$20,000, the salary to which this key position is to be raised.

The Assistant Secretaries of State, 10 of them, and the Department of State counselor, are only being raised to \$15,000 a year under this bill. From my own personal knowledge as a member of the Committee on Foreign Affairs, these competent men have responsibilities that are gigantic. They have such responsibilities, that the United States must have the best men, properly trained and dependable, to take the far-reaching responsibilities and follow them up.

Because of the far-reaching extent of these responsibilities which carry out the administration of American foreign policies, the American public will not find it out until too late if there are mistakes. Competent key men of the State Department who are the real executives of American world policy which the President, Congress, and the Secretary of State formulate are: the present experienced counselor of the Department of State, George F. Kennan, just confirmed by the Senate to succeed the able previous counselor, Charles E. Bohlen, who is to be sent to the Embassy in Paris; Dean Rusk, Assistant Secretary of State and Deputy Under Secretary handling substantive matters in the State Department; quiet and efficient John Peurifoy, Assistant Secretary of State and Deputy Under Secretary in charge of all administrative matters for the State Department; genial and competent Ernest Gross, Assistant Secretary of State for congressional relations; Willard L. Thorp, Assistant Secretary of State for the involved field of economic affairs; George Allen, Assistant Secretary of State in charge of that important field, public affairs and public liaison; John

Hickerson, Assistant Secretary for the expanding field of United Nations affairs; Edward Miller, Assistant Secretary for American Republic Affairs; George Magee, Assistant Secretary for Near Eastern and African Affairs; George Perkins, Assistant Secretary for European Affairs; and last but not least, affable and experienced Walton Butterworth, nominated as Assistant Secretary of State for Far Eastern Affairs. These men are a credit to the Department of State, and the country.

Our foreign relations are so dependent on such personnel that we may run into a national disaster if the United States Government does not get the proper men in the future, and keep these invaluable and experienced people in our State Department.

We members of the Foreign Affairs Committee in the House know of the vital need, and can heartily recommend to the Congress the expenditure under this bill of only \$70,000 per annum additional for the whole Department of State. Such recognition of key personnel carrying the executive and policy load of the State Department is in direct keeping with the recommendations of the Hoover Commission, and is therefore nonpartisan. It is sound business sense and good doctrine for the Republican and Democratic Parties alike. I strongly urge your support of this legislation as reported by the Post Office and Civil Service Committee.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I am not in favor of unreasonable increases for those in either major or minor positions.

My criticism of the bill as it now stands, without having had much time to study it, is that in some instances, it goes too far in the increase of salaries, that in one or two other instances it does not go far enough; and that it is poorly drawn in that it includes in the same salary brackets positions which cannot possibly be fairly considered as comparable, one position being far more important than another.

I believe the measure deserves far more careful consideration and amendment before it is enacted into law.

I admit that it is difficult to determine upon a yardstick with which to measure executive salaries. But let us take as one yardstick the ablest United States Senator that anyone can think of, who may have given the best years of life to the service of his country and who today commands a salary of \$15,000.

This bill proposes in class 1 to pay every Cabinet officer \$25,000. I do not object to this particularly in itself, but I point out in passing that it means paying every Cabinet officer \$10,000 a year more than we pay any United States Senator.

In class 2, which is to receive \$20,000, you will find the Chairman of the Council of Economic Advisers, now drawing \$15,000, and every Under Secretary in every executive department in the Gov-

ernment now drawing from \$10,000 to \$12,000. In other words, Mr. Speaker, every Under Secretary, who heretofore has had from \$10,000 to \$12,000, is now to receive \$5,000 more than we pay any United States Senator and, incidentally, it is to be bracketed along with the Administrator for Economic Affairs, Mr. Hoffman, and with the Administrator for Veterans' Affairs, General Gray, both of whom fill tremendously important and tremendously difficult positions.

The President is to pay 12 administrative assistants and secretaries a total of \$206,000 as compared with a total under present conditions of \$130,000—two will receive \$20,000, three will receive \$18,000, seven will receive \$16,000.

In the \$18,000 bracket you find the Federal Works Administrator now drawing \$12,500, the Assistant Comptroller General now drawing \$10,330, and the Assistant Director of the Bureau of the Budget now drawing \$10,330. All will receive \$3,000 more than any United States Senator. Moreover, Mr. Speaker, if I read section 6 of this bill correctly, it will be within the discretion of the President to put any head of any board or any commission into that \$18,000 bracket. Surely this is a matter for the Congress to determine in any given case.

In the \$17,500 bracket you will find the Director of the Administrative Office of the United States Courts, now drawing \$10,330; the Public Printer, now drawing \$10,330; the Librarian of Congress, now drawing \$10,330; the Council of Economic Advisers, other than the chairman, now drawing \$15,000. All of these will receive \$1,500 more than any United States Senator.

In the \$16,000 bracket there is a whole string of commissioners, of the Federal Communications Commission, of the Federal Power Commission, of the Federal Trade Commission, of the Securities and Exchange Commission, of the Civil Service Commission, of the Tariff Commission, all of whom have been drawing \$10,000; as well as the Architect of the Capitol, now drawing \$10,330. All are to receive \$1,000 more than any United States Senator.

Included in the financial classification with a United States Senator, to receive \$15,000, we find among others: The Archivist of the United States, now drawing \$10,000, the Indian Claims Commissioners, now drawing \$10,000; the War Claims Commissioners, now drawing \$12,000; the Chief Assistant to the Librarian of Congress, now drawing \$10,330; the Deputy Public Printer, now drawing \$10,330; and every Assistant Secretary in every executive department, now drawing from \$10,000 to \$10,330.

Why, Mr. Speaker, should Edgar Hoover, with his tremendous responsibilities and tremendous success, be classified at \$15,000, when the Director of Central Intelligence is to receive \$17,500?

Why should every Under Secretary in the executive departments receive \$5,000 more than any United States Senator?

Why should every Assistant Secretary in the executive departments be bracketed with a United States Senator?

Why should officials with comparatively minor responsibilities be bracketed with others with heavy responsibilities?



I repeat, Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I repeat that this bill in my judgment deserves most careful consideration and amendment before it is enacted into law.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may require to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, before salaries of the heads and assistant heads of the executive departments are increased, the economies recommended by the Hoover Commission should be carried out.

It is unfair to expect the taxpayers to shoulder this pay raise recommended by the Hoover Commission until the other Commission recommendations to eliminate waste and duplication are adopted.

It has been reliably estimated that if this Commission's proposals are put into effect, the cost of government would be cut \$3,000,000,000 a year. When this reorganization is accomplished, the people can be assured we have executives heading the departments. That will be the time to present the question of their pay increases.

I expect to vote against this bill to increase government costs by raising salaries of the heads and assistant heads in executive departments.

Finally, if the Hoover recommendations are adopted with the resultant saving of three billions, we can then quickly repeal the wartime excise taxes on such items as ladies' handbags, toilet articles, beauty and barber supplies, furs, jewelry, transportation and communication charges, and all other wartime excise taxes which are now causing undue hardship.

These excise taxes are now forcing businesses to the wall and are destroying jobs.

There is, therefore, a twofold necessity for defeating the measure before us.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I intend to support this rule, and I intend to vote for the bill both in Committee of the Whole and in the House. I rise at this time to make a very brief explanation as to why I will not offer any amendments to the bill as originally announced by me.

As you probably know, the gentleman from New York [Mr. KEOGH] has introduced a separate bill to increase the salaries of members of the judiciary. That bill is now before the Committee on the Judiciary, and the distinguished chairman, the gentleman from New York [Mr. CELLER], has assured me that the bill will be considered by his committee shortly, and that, if at all possible, it will be reported to the House in time to be enacted at this session.

My own bill for the increase of our salaries is before the same committee which has reported this bill and I have been assured by the distinguished chairman [Mr. MURRAY] that that bill also will be called up before his committee for early consideration and, if it is there

acted on favorably, it will be reported for our action shortly thereafter.

I want to direct the attention of the Members of the House to the fact that not only has the Hoover Commission and the President recommended an increase of salary both for the judges and Members of the House, but the Director of the Budget has sent a communication to our distinguished colleague [Mr. MURRAY] which he has authorized me to refer to at this time. The Budget Director under date of June 24, 1949, said:

While the bill deals with the question of whether this proposal—

Meaning the increase of salaries for Members of Congress—

is one for the Congress to resolve, it is significant that the President on several occasions indicated his feeling that adequate compensation should be provided for our Federal legislators.

Mr. Speaker, this bill is a step in the right direction.

The bill to increase the salaries of members of the judiciary is another step in that direction. I submit that my bill to increase our own salaries is also a step in the right direction, if you want men and women of the high type and caliber that we ought to have in high position in our Government, you should pay them, and pay them well.

I will withhold my amendments with reference to salary increases to judges and Members of Congress in reliance on the assurances given to me that those bills will be submitted to us for separate consideration.

An almost unanimous press is supporting us in this effort to adequately compensate the Members of Congress as well as those executives and judges who are now being underpaid.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, if, as the Associated Press reports, the President's court jester, General Vaughan, knows 300 people in Washington who are selling their influence with highly placed Government officials for 5 percent or any other consideration, he should be required to testify to these facts before one of the committees now engaged in looking into these reprehensible practices. It is equally important, if his charges of corruption are not well-founded, that he be required to remove the stain he has cast upon every procurement agency in the Nation's Capital.

Some of the assertions of this intimate of the President can safely and preferably be ignored, but here is one to which this Congress cannot shut its eyes.

If favoritism concerning the award of contracts and the sale of influence have reached the gigantic proportions which General Vaughan indicates, and he is certainly in a position to know what he is talking about, the public interest requires a full and open disclosure by him of name, chapter, and verse to substantiate his charges.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, I am persuaded that the House has sufficient in-

formation to pass on this resolution and that it will be adopted. It would, I think, be unfortunate if before the consideration of the bill, attention was not directed to the superior report accompanying this legislation, which was filed by the gentleman from Tennessee [Mr. MURRAY], chairman of the great Committee on Post Office and Civil Service. This is a document of permanent value and I am sure all of you will want to keep it in your office for reference. It outlines the functions of the 244 positions affected by this bill. I am pleased to have a copy of the report and find it very useful. Members of the committee and their splendid staff are entitled to a commendation for this report.

I join with every Member of this body in a sincere desire to effect economy and reorganization in the executive branch of the Government. The Hoover Commission has made recommendations similar to those proposed by this legislation. In my judgment it cannot be rightfully said that this is a salary-increase bill. It is a measure that reevaluates the work and responsibilities of the positions covered. It does result in salary increases.

Significantly, it is the first time this has been accomplished in a quarter of a century. I could not support this measure if it were a question of raising the salaries of personalities now connected with the Government, for the philosophy of some of them is foreign to mine. It is a healthier bill than that, one attempting to place the position involved its proper stature.

Your Committee on Post Office and Civil Service held exhaustive hearings. It is a conservative committee and their recommendations are entitled to the most serious consideration. At all times I enjoy working with this committee because its members, both Democratic and Republican, sincerely give their best to the improvement of our Government service.

I am very fond of my Government. It has been very good to me. I dislike the unfortunate attitude today of so many commentators and newspaper and magazine editorial policies which would tear down the confidence of the people in their Government and ridicule those of us who serve in government, whether it be in the legislative, judicial, or executive branch. It is conceded to be the best form of government in the world—so good is it, in fact, that the men who serve in it can do it very little lasting harm. It is bigger than all of us, and this, to me is an expression of confidence, not only in the form of government, but in the sincere and able people who serve in it.

Comparatively, this is not an expensive bill. For example, and I do not mean this as an odious comparison, if you did away with the potato program for 2 days, it would pay for this bill for an entire year. The cost is insignificant. It is significant, however, to recognize the importance of the work and responsibilities of the 244 positions covered by this bill. I am often in agreement with my colleague in the Committee on Rules, the gentleman from Ohio, [Mr. BROWN]. I do not agree with him, however, that it is untimely to bring this bill to the floor. During the time I

have been in the legislative body, I have never found it timely, politically speaking, to increase the salary of anyone connected with government, but that is a responsibility I share with you, the responsibility of making the Government service as useful and effective as possible.

The positions involved in this measure are charged with great responsibilities. The President has strongly urged that they be reevaluated and reclassified, and compensated accordingly.

The statement made by my distinguished friend, the gentleman from Georgia [Mr. Cox], eloquent and persuasive, should have convinced the entire membership that we should pass this measure.

Mr. Speaker, I urge the adoption of the rule and the immediate consideration and passage of H. R. 3191.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Speaker, this bill has not had the careful consideration to which it is really entitled. My attention has been called to the fact that there is only \$1,250,000 involved. They say it is conservatively small. There are only 244 out of 2,000,000 employees involved. However, in this bill, if you had the time to study it, you would find that it covers only a few of hundreds more who are just as much entitled to an increase as those in this bill. I know of a good many faithful career people who are much more entitled to this consideration. As a matter of fact, the committee put in about 40 or 50 positions that were not in the original bill.

I think the bill is untimely. To bring a bill to the floor of this House and give us 30 minutes on each side to discuss an important measure is wrong. That is all we are allowed to discuss this bill, except under the 5-minute rule.

I hope to speak again later and will outline my views, but I want to call attention to an amendment that I expect to offer at the proper time, that will reduce the amounts that are paid to a number of the people in these various categories. A great deal has been said with respect to pressure on the part of the President to secure this legislation. Many Members could tell you, if they would, that they have had pressure not only from the President but from heads and assistants of agencies involved.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield one additional minute to the gentleman from Kansas.

Mr. REES. I say to you that this bill should have had not only more careful study in the committee but also on the part of the membership of this House, because you are establishing a policy of which this million and a half dollars is only the beginning. It has been suggested that it is very little; to the taxpayers it is considerable. This is only part of millions more costs proposed by Members of this House before the committee of which I am a member. Should our committee report out the bills that have been proposed by Members of the House we would increase the cost of government for employment more than

\$2,000,000,000. Mark you, if this bill is passed—if that is what you want—if this bill is passed you have many more bills just as worthy as this one. At the proper time I shall offer a substitute bill and ask you to reduce the payments recommended in this bill.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER] such time as he may desire.

Mr. CELLER. Mr. Speaker, I am happy to have this bill considered and pleased to vote essential increases to various members of our executive branch. As chairman of the House Judiciary Committee, I have almost daily contact with my esteemed friend the distinguished Attorney General. Our committee and the Department over which the Attorney General presides work in closest harmony. I am gratified that that is so. Permit me to express some pertinent observations concerning the Honorable Tom Clark and his able assistants.

The Attorney General is the chief law officer of the Government and is the legal adviser to the President and the heads of the executive agencies. Also, he is the head of the Department of Justice, an organization of 27,000 persons serving in all parts of the United States, its Territories and possessions, and which operates at an annual expenditure of approximately \$130,000,000. He has under him the Solicitor General of the United States, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General and the heads of three major bureaus, namely, the Immigration and Naturalization Service, the Federal Bureau of Investigation, and the Bureau of Prisons.

The office of Attorney General was created in 1789, the annual compensation being fixed at \$1,500. There were steady increases in compensation through the years until 1870, when the Department of Justice was created and the Attorney General's compensation was fixed at \$10,000. At that time the Department consisted of a handful of persons with an annual budget of around \$1,000,000. In 1925 the Attorney General's compensation was fixed at \$15,000, the same rate as at present. The Department at that time comprised 3,400 persons, with an annual expenditure of approximately \$15,000,000. Although the responsibilities and duties of the Attorney General and his subordinates have increased tremendously since that time, the compensation of the office has remained the same. While the position has attraction because of its prestige and importance, the fact remains that men of great ability and qualifications but with limited financial means are unable to accept it. Others cannot remain in the position for any length of time without great financial sacrifice. In England, the salary of the Attorney General is fixed at 10,000 pounds—roughly \$44,000 at today's rate of exchange; furthermore, that official has substantially fewer responsibilities than those which rest on the Attorney General of the United States.

It is no secret that the top men in the legal profession in this country are earn-

ing far in excess of what the Attorney General is paid, and very frequently get one fee in a single case far in excess of the Attorney General's annual salary. If nothing more than to command respect in the profession in which the Attorney General is regarded as one of the outstanding members, the compensation of the office should be more nearly commensurate to its exacting duties and responsibilities. The Department of Justice is vital to the business and welfare of the Nation, and the security and protection of our economy rests in large measure upon the proper conduct of its work. No business enterprise which has had the growth and expansion in size and responsibilities comparable to the Department of Justice would leave the compensation of its executive head at the same level as it was in its early and formative period.

The top officials of the Department included in the pending compensation bill are the Solicitor General, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General, the Director of the Federal Bureau of Investigation, the Director of the Federal Prison System, and the Commissioner of the Immigration and Naturalization Service. With the exception of the Directors of the Federal Bureau of Investigation and the Federal Prison System these are all statutory positions requiring Presidential appointment and confirmation by the Senate.

To raise the salaries of these positions, including that of the Attorney General, would amount to an additional cost of less than \$90,000 a year as presently contemplated, which is far less than the fee frequently paid opposing counsel in a single important case. The Department is a highly organized professional and technical office handling litigation involving billions of the Government's money and property. The heads of the divisions and bureaus have exceedingly heavy responsibilities, which have increased enormously in the last few years. The work of the Federal courts has greatly expanded, and the complexity of present-day governmental responsibilities has given rise to an extended range of legal and administrative problems.

The leading practitioners in the legal profession are earning far more than the heads of the legal divisions in this Department. Naturally they are very reluctant to give up lucrative practices to take positions such as these. If they do make the sacrifice, they are then under continual temptation to yield to the demands of society and their families in order to earn enough to live at a standard commensurate to their positions and responsibilities. This results in a great turn-over in these positions, with the resultant loss in continuity of direction and policy in the operation of the various units. Much ground is lost each time in adjusting to new direction and control, to the detriment of the Department and the public.

It is urgently necessary that the salaries of the top officials of the entire Government be fixed at a level which will attract men of great capacity, capability, and sound judgment. In the case



of the Department of Justice it is further necessary that such men have the caliber to be recognized and respected by the legal profession. The increase in compensation would only partially offset the pressures and burdens which they must face in carrying out the duties and responsibilities of their positions. Under the present salary scale and conditions now prevailing economically the President and his Cabinet officers are faced with a serious problem in attracting high-caliber, well-qualified men. The problem facing the Attorney General in this respect is one of particular difficulty, for the reasons which have been set forth above.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 9 minutes.

Mr. McCORMACK. Mr. Speaker, I think the remarks made by my very able and distinguished friend the gentleman from Georgia [Mr. Cox] were not only dignified but also very effective. He set forth the reasons why this bill should pass. He referred to the spirit of amity between the various branches of Government, and certainly that is a compelling thought. Amity exists not only between the two bodies of the Congress but also between the branches of Government on matters directly connected either with the legislative branch in the case of our particular branch of governmental organization, the House and the Senate, and matters directly connected with the executive branch of Government. The President, on his side, has clearly evidenced a feeling of amity for the House of Representatives recently when he signed H. R. 4583, giving us the additional clerk. At that time he said:

I have signed this act willingly—

Notice the word "willingly," a complete expression of understanding and amity—

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business.

The President recognized that when we passed that act that we did so in the interest of efficiency in Government.

The President concludes his message with this statement:

For the compelling reasons set forth, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government.

I get a good deal of amusement from the President's message because he "willingly" signed the bill which related to the House of Representatives, but called attention to his problem in connection with the bill which is now before the House. I hope that this will not develop into a partisan question simply because President Truman is a Democrat; certainly if the incumbent of the White House were a member of the Republican Party I would support his request; for if the President under such circumstances—and, of course, it will not happen for many, many years—were to be

a Republican, I would recognize the amity between the two branches, and I would recognize his justification for such a request.

Some Members have referred to the fact that the bill has not been considered carefully. If ever a bill was considered carefully this bill has been. It was introduced on January 20, 1949, and the matter has been the subject of consideration by a Senate committee in the last Congress.

The bill now before us represents a compromise. The gentleman from Tennessee [Mr. MURRAY], chairman of the committee, proposed a compromise and the committee adopted his compromise which reduced the amount contained in the original bill.

The gentleman from Ohio [Mr. BROWN] admits that the legislation is justified and does not argue against the bill. He disagrees with the timing. Of course, that is only a technical objection, which means that he supports the bill, he is in favor of the bill, because otherwise he would be placed in the very embarrassing position of opposing the very recommendations of a commission of which he was a member. Repeatedly throughout the Hoover Commission report are contained references to the fact that the particular officials enumerated in this bill have not received the consideration they are entitled to. For example, in one report it is stated:

In order to attract the most desirable types of persons to department high commands, the salaries of under secretaries and assistant secretaries should be increased.

Again in the same report there is another reference to it. In this report there are several references to it. Here is another report of that committee, the report to Congress of February 1949, in which it is stated at one place:

To all other employees whose rates of pay are fixed on a Nation-wide basis, the President should be authorized to direct the Civil Service Commission to review—

And so forth. In relation to the bill now under consideration it calls attention to the fact that pay in the lowest grades has been increased between 43 and 56 percent, while pay in the highest grades has been increased only 15 percent, immediate consideration should be given to providing adequate salaries for top civil-service employees, with the exception of professional, scientific, technical, and so forth. Most, if not all, of those covered by this bill are non-civil-service people. The last time a Cabinet officer received an increase was in 1925. The Cabinet officers have not received an increase in salary since 1925. Most of the officials covered by this bill, other than members of the Cabinet, such as assistant secretaries, have received no increase in salary since 1925.

The last time the members of the Federal Trade Commission received an increase in salary was in 1914 when the salary was established at \$10,000. That is still the salary of members of the Federal Trade Commission. The last time members of the Cabinet received an increase was 24 years ago; in the case of members of the Federal Trade Commission it was not 24 years ago but 35 years ago.

So it seems to me that equity and justice calls for this change. If there is some particular position that should receive more, that is another proposition entirely. An amendment may be offered to cover the matter. Reference has been made to J. Edgar Hoover. I may say that I offered an amendment and the Subcommittee on Appropriations agreed to it back 3 or 4 years ago when Mr. Hoover got his last increase from \$10,000 a year to \$14,000 a year. I offered the amendment on the floor of the House, and the subcommittee of the Committees on Appropriations on both sides accepted the amendment.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman would not say now that the Director of the FBI should be put on the same salary as the Deputy Public Printer, would he?

Mr. McCORMACK. I was coming to that, to say that those who feel that he should receive more than this should offer an amendment to the bill at the proper time, and I am pretty satisfied when that is done that the high regard for the public service of J. Edgar Hoover would probably be very quickly recognized.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I might state to the gentleman that I have prepared an amendment so that he will get at least \$17,500.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. STEFAN. When the majority leader offered his amendment to increase the salary of Mr. Hoover from \$10,000 to \$14,000, it was originally planned to increase it to \$15,000.

Mr. McCORMACK. Yes.

Mr. STEFAN. But because his chief, Tom Clark, the Attorney General, was getting \$15,000, we did not think it was fair to put the two on the same basis.

Mr. McCORMACK. The gentleman is absolutely correct.

At that time I was going to offer an amendment to increase his salary to \$15,000, but the Attorney General only received \$15,000, and it was felt that the head of the FBI should not receive the same salary as the Attorney General.

So, my special plea is that the bill should pass. If there is dissatisfaction with some particular classification or position here offer an amendment to it, but let us consider it as we have today during general debate on a nonpartisan, nonpolitical basis because the bill is predicated upon justice and equity, and bring about greater efficiency in government.

The SPEAKER. The time of the gentleman from Massachusetts has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1689, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill under consideration proposes to establish the proper rates of annual compensation for heads and assistant heads of the executive departments and independent agencies.

Extensive hearings were conducted by the committee, and witnesses appearing represented the General Accounting Office, Bureau of the Budget, Civil Service Commission, and the Commission on Organization of the Executive Branch of the Government. Executives in private industry, and representatives of Federal and postal employee organizations support the legislation.

In its report to the Congress in February 1949, the Commission on Organization of the Executive Branch of the Government, usually referred to as the Hoover Commission, stated that the Congress should "increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above." The bill approved by the committee establishes annual compensation consistent with the report of the Commission's task force.

The committee has prepared an extensive report regarding this legislation (H. Rept. 535), which not only analyzes the legislation in detail, but Appendix B on page 16 contains the following information regarding each position covered by the bill: Position title, present salary and date established, proposed salary, incumbent, responsibilities and size of organization, including number of employees and estimated annual expenditures for fiscal year 1949. I trust the Members will avail themselves of the information contained in this report.

On January 1, 1949, the President wrote to the Speaker of the House requesting "that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank." In his letter he stated that "inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead."

On June 23, 1949, in his message to the Congress in connection with his approval of H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives, the President stated "I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government." The President further pointed out that the Hoover Commission "urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities." Finally, he stated that "so long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency. I again urge the Congress to complete favorable action upon this legislation at an early date."

Section 1 establishes the compensation of the head of each executive department and of the Secretary of Defense at \$25,000 per annum. At the present time the compensation of Cabinet members is \$15,000 per annum, and in no case has been changed since 1925. I believe that upward revisions in the compensation of these important Government officials are long overdue and that the bill provides the correct adjustment in their salaries.

Section 2 (a) establishes the compensation of each Undersecretary of an executive department, the Assistant to the Attorney General, the First Assistant Postmaster General, the Solicitor General, the Comptroller General, the Director of the Bureau of the Budget, the Chairman of the Council of Economic Advisers, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, and Administrator for Economic Cooperation at \$20,000 per annum. In the bill as introduced, these salaries were generally set at \$22,500, but the committee agreed to reduce such compensation by \$2,500 annually.

Section 2 (b) authorizes the President to fix the compensation of his six administrative assistants, the Executive Secretary of the National Security Council and five other secretaries or staff assistants in the White House as follows: Two at rates not exceeding \$20,000 annually, three not exceeding \$18,000 annually, and seven not exceeding \$16,000 annually. The committee reduced these rates \$2,500, \$2,000, and \$1,500 respectively, under the salaries provided in the bill as introduced.

Section 3 (a) establishes the annual compensation of the Assistant Comptroller General, Assistant Director of the Bureau of the Budget, Chairman of the Munitions Board, Chairman of the Research and Development Board, Chairman of the Atomic Energy Commission, Federal Works Administrator, Housing and Home Finance Administrator, Deputy Administrator of Veterans' Affairs, and Deputy Administrator for Economic Cooperation at \$18,000. The committee reduced such compensation by \$2,000 annually from the salaries in the bill as introduced.

Section 3 (b) establishes the annual compensation of the Director of the Administrative Office of the United States Courts at \$17,500, a \$2,500 annual reduction from the bill as introduced.

Section 3 (c) establishes the annual compensation of the Public Printer, Librarian of Congress, members—other than Chairman—of the Council of Economic Advisers, Director of Central Intelligence, Federal Mediation and Conciliation Director, and Assistant Federal Security Administrator at \$17,500. In the bill as introduced, these salaries were set at \$20,000 but the committee agreed to reduce such compensation by \$2,500 annually.

Section 4 establishes the annual compensation of the Board of Governors of the Federal Reserve System, the Director of Aeronautical Research of the National Advisory Committee for Aeronautics, the Chairman of the Board of Directors of the Export-Import Bank of Washington, the Comptroller of Currency, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Chairman of the United States Maritime Commission, the general counsel of the National Labor Relations Board, the Architect of the Capitol, the Assistant Federal Works Administrator, and the members of the Civil Aeronautics Board, Federal Communications Commission, Board of Directors of the Federal Deposit Insurance Corporation, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, National Labor Relations Board, National Mediation Board, Railroad Retirement Board, Securities and Exchange Commission, Board of Directors of the Tennessee Valley Authority, Civil Service Commission, United States Tariff Commission, and Atomic Energy Commission—other than the Chairman—at \$16,000. In the bill as introduced, the majority of these salaries were set at \$17,500, and the committee agreed to reduce such compensation by \$1,500 annually. However, in the case of the members of the Atomic Energy Commission and members of the Board of Governors of the Federal Reserve System, such compensation was reduced by \$4,000 annually from H. R. 1689 as introduced, and the Chairman of the Board of Governors of the Federal Reserve System was reduced \$6,500 annually—see appendix A, page 14, House Report 535.

Section 5 establishes the annual compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; each Assistant Secretary of an executive department; the Fiscal Assistant Secretary of the Treasury; each Assistant Attorney General; the Assistant Solicitor General of the United States; the counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal; and the members of the Displaced Persons Commission, Indian



Claims Commission, War Claims Commission, Philippine War Damage Commission, Board of Commissioners of the District of Columbia, Board of Directors of the Export-Import Bank of Washington, other than the Chairman, Board of Directors of the Reconstruction Finance Corporation, other than the Chairman, United States Maritime Commission, other than the Chairman, at \$15,000. In H. R. 1689, as introduced, these salaries were set at \$17,500, but the committee agreed to reduce such compensation by \$2,500 annually.

While this legislation was under consideration the committee added the following positions and increased their rates of basic annual compensation to \$15,000 annually: The Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense.

Section 5 (b) establishes the annual compensation of the Assistant Director of the Administrative Office of the United States Courts at \$15,000, a reduction of \$2,500 annually from the bill as introduced.

Section 5 (c) establishes the annual compensation of the legislative counsel of the House of Representatives and the Legislative Counsel of the Senate at \$12,000 per annum.

Section 6 provides that the President is authorized in his discretion to increase the compensation of any chairman or other head of a board or commission to \$18,000 per annum, when such head has important duties or responsibilities not imposed upon other members of such board or commission. In the judgment of the committee, this discretionary authority properly belongs to the President in connection with securing better administration and providing adequate compensation for increased duties and responsibilities of public officials.

Section 7 of the bill as approved by the committee contained annual pay increases of \$330 annually for officers and employees of the Foreign Service, and classified Federal employees in the municipal government of the District of Columbia retroactive to July 1948. This section was approved by separate legislation, H. R. 5100, which passed the House on June 20 and the Senate on June 30, and is now Public Law 160. Consequently, at the appropriate time, I shall offer an amendment on behalf of the committee to strike this section in its entirety.

The salary increases for these 244 Government officials will cost \$1,237,173 annually. This is a reduction of \$156,-

000 annually under the cost of the bill as introduced.

It is obvious that this small investment in dollars of securing and retaining highly competent Government officials will be beneficial to the American people. I believe that enactment of this legislation will provide appropriate incentive in terms of annual compensation to attract well-qualified and able top-level officials in the Federal Government. Occupying the positions covered by the bill, they should conduct the affairs of our country more efficiently and more economically. They will bring with them into the Federal service extensive experience in handling the affairs of companies in private industry. They will initiate new procedures and devices for decreasing the cost of Government which will result in savings of many millions of dollars which will more than offset the moderate salary increases proposed in the bill.

Since July 1, 1945, the annual compensation of Federal employees has been substantially increased. The heads and assistant heads of the departments and agencies covered by this bill have not received such statutory increases. Except in a few cases, upward salary adjustments have not been made during the past 25 years in the salaries of the 244 top-level officials included in the bill. Moreover, in those instances where the annual compensation of heads and assistant heads of independent establishments and agencies has been fixed since 1940, the salary adjustments have resulted in a disproportionate relationship between those positions and similar positions established prior to the war years.

In establishing the annual compensation for heads and assistant heads of agencies created since World War II, a more realistic approach has been made by Congress, for example, the Administrator for Economic Cooperation receives a salary of \$20,000 annually, the Deputy Administrator for Economic Cooperation \$17,500 annually, the Chairman of the Atomic Energy Commission \$17,500 annually, the Housing and Home Finance Administrator \$16,500 annually, and the members of the Council of Economic Advisers \$15,000 annually. In view of the recent action by Congress with respect to these salaries the committee made only minor adjustments in them. Also, such congressional action served as a guide to the committee in establishing the compensation of the remainder of the positions covered by the bill.

I believe that the enactment of this legislation is necessary and consistent with a more realistic approach to good administration in the Federal Government.

#### SIGNING OF H. R. 4583

(Message from the President of the United States transmitting relative to signing H. R. 4583, and with the recommendation for passage of legislation raising the salaries of executive officers of the Government)

To the Congress of the United States:

I have today approved H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives. This act provides an additional allowance of \$3,000 a year for each Member

of the House of Representatives for clerk hire and authorizes an allowance of \$500 a year for each Member for sending telephone and telegraph communications.

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business. I have no doubt that the benefits derived from this legislation will fully justify its cost, which is relatively small in the light of the magnitude of the problems confronting the Government.

I feel constrained to point out to the Congress again, however, an opportunity which it has for a greater improvement of the public service than will be accomplished by this legislation, and at approximately the same cost. I have heretofore recommended that the Congress enact legislation to raise the salary scales for the heads and assistant heads of executive departments and other officials of the executive branch having comparable responsibilities. Bills for this purpose have been reported from committees in both Houses of Congress and have been on their respective calendars for weeks. Though the salaries provided in these bills are not, in my judgment, fully commensurate with the great responsibilities of the positions involved, they would substantially better the present demoralizing situation. The cost of this legislation would be approximately \$1,300,000 annually, compared with \$1,314,000 for clerk hire alone under H. R. 4583, which I have just signed.

Important as it is for Members of the Congress to have adequate clerical assistance, it is at least of equal importance to have men of ability in the key executive positions in the Government. The best of laws can be ruined by poor administration. The success or failure of all the things the United States Government undertakes to do depends in large measure upon the wisdom and ability of these executives. It is upon them that we must rest most of our hopes for economy and efficiency in the Government. Even a small improvement in the economy and efficiency of the vast operations under the direction of these men is obviously of much greater consequence than the cost of the proposed salary increases. The soundness of this principle has been demonstrated in American business concerns, where it is well recognized that the success or failure of an enterprise depends largely upon its executive officers, and their salaries are fixed accordingly.

The relative salary position of Federal executives has become increasingly worse during recent years. There has been no increase in the salaries of Cabinet officers since 1925. Members of important commissions whose salaries were set at \$10,000 many years ago still get the same amount. For example, the salaries of Federal Trade Commission members were fixed at \$10,000 in 1914 and have never been raised, although in terms of real income that amount, even before taxes, is less than half of what it was 35 years ago. The absurdity of the present situation is illustrated by the fact that many Federal executives now have assistants who receive higher salaries than they do.

The Congress has already recognized the need for greater compensation for other groups of Federal officers and employees, including the Members of Congress themselves. Prior to 1925 Senators and Representatives received an annual salary of \$7,500 each. At the same time Cabinet officers received \$12,000 and members of important boards and commissions received \$10,000. In 1925 the salaries of Senators and Representatives were increased to \$10,000 and those of Cabinet officers were increased to \$15,000. No corresponding general increase was made in the salaries of other executive officers. In 1946 the Congress further increased the salaries of Senators and Representatives to \$12,500, and at the same time provided for each of them a tax-free expense

allowance of \$2,500. Because this allowance is tax-free, the compensation of Members of Congress is now equivalent to approximately \$16,000 a year. Thus, the compensation of Senators and Representatives has been more than doubled in the last 25 years, while there has been no general increase at all in the salaries of the executive officials here in question.

Over this same 25-year period the salaries of Federal judges have also been substantially increased. The salaries of district and circuit judges have been doubled, and those of Supreme Court Justices have been increased by more than two-thirds.

The Congress has also raised the compensation of the President, the Vice President, and the Speaker of the House of Representatives. The annual salary of the President was increased from \$75,000 to \$100,000 earlier this year, and at the same time he was provided with a \$50,000 tax-free expense allowance. While this increase was made without any recommendation or suggestion on my part, I am grateful to the Congress for the spirit which moved it to enact the increase speedily in order that I might receive its benefits. Nevertheless, the proposed increases for other officers in the executive branch, besides resulting in far greater public benefit than the increase in the President's salary, would actually do more to improve the President's personal situation than the increase in his own salary. For one of the greatest burdens of the Presidency is in finding and keeping good men for big jobs, and under present conditions that is a most difficult task.

The Congress has already recognized the need for increased compensation for Federal employees below the top executive level. Since 1945 the rates of compensation for these employees have been increased three times, largely to meet increased living costs. These increases have been proportionately greater in the lower grades than in the higher, and in the lower grades the total increases range up to 96 percent. The salary schedules for Federal employees still need revision, and I have recommended such revision to the Congress.

I thoroughly approve of adequate salaries for all our Federal employees. Increased prosperity for our Nation depends upon the constant betterment of the living standards of the great body of our citizens. In the promotion of the general welfare, Federal employees should not be neglected. However, I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government.

It is customary in private industry for an executive to be paid many times as much as he would be paid for comparable work in Government service. Salaries of \$50,000 to \$100,000 a year in private industry are not uncommon. In 1948, General Motors Corp. paid to 53 of its officers and directors an average salary of \$51,760 each. The 15 top executives of the du Pont Co. were paid an average salary of \$213,175 each—an aggregate amount for these 15 men greater than the total salaries now paid to all the 250 or so Federal officers whose salaries would be increased by the legislation before the Congress.

When it is considered that the responsibilities of many top Government executives are far greater than those of any private executive in the Nation it is evident why the Government has great difficulty in obtaining and keeping the best men. Even when they are prevailed upon as a matter of public duty to serve in the Government, too often they find that they can afford to serve for a limited time only. Thus men are lost to the Government just when they have had the experience which brings them to the peak of their effectiveness. Such a process

is obviously poor business and any apparent saving in funds for salaries is obviously a disservice to the taxpayers.

These truths were clearly recognized by the Commission on Organization of the Executive Branch. That Commission urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities. The legislation for increased executive salaries now pending in the Congress is fully supported by the recommendations of that Commission. So long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency.

For the compelling reasons set forth above, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government. Therefore, I again urge the Congress to complete favorable action upon this legislation at an early date.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 23, 1949.

#### INCREASING COMPENSATION FOR HEADS OF EXECUTIVE DEPARTMENTS

(Communication from the President of the United States transmitting his recommendation for the increase of compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank)

THE WHITE HOUSE,

Washington, January 6, 1949.

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,  
Washington, D. C.

DEAR MR. SPEAKER: I request that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank.

Inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. For most of those positions, there have been no pay increases in many years. In the meantime, other salaries, in both Government and industry, have risen sharply, and opportunities for larger compensation in private industry have greatly expanded.

In recent years, the difficulties of obtaining and holding the best qualified citizens for official positions has definitely impaired the Government service. This condition has now progressed to the point where it constitutes a serious threat to the efficiency of the Government.

The men who hold the offices in question must translate into action the policies determined upon by the Congress. Their ability determines in large measure whether these policies are to succeed or fail. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries.

I recognize that the Government cannot pay salaries equal to those in private industry for positions of comparable importance. But it can reduce the discrepancy enough to permit able and public-spirited citizens to serve the Government without too great a disadvantage.

Fortunately, the Congress is in a position to take intelligent and considered action on this problem without delay. Within the last month extensive evidence on the subject has been presented to a Senate subcommittee and is now available to the Congress. This evidence includes supporting testimony by former President Hoover, as Chairman of the Commission on Organization of the Executive Branch of the Government. The subcommittee examined the problem carefully, fairly, and without partisanship. The bill which

they developed, and which has now been introduced in the Eighty-first Congress, is the result of more than a year's study.

That bill establishes a salary range of from \$17,500 to \$25,000 for the officials in question. These provisions are in accordance with recommendations made to the subcommittee by the administration. I urge their passage in their present form. Questions concerning the compensation of Federal officers and employees not included in this bill should not be permitted to impede or delay its passage, but should be considered separately at an early date.

On January 20 a new Presidential term will begin. During that term the executive branch of the Government will be called upon to bear responsibilities of great magnitude. Prompt action on this bill is of great importance to me in strengthening the management of the executive branch to meet those responsibilities. Its small cost will be repaid many times. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead.

I hope that this legislation will be enacted into law immediately.

Sincerely yours,

HARRY S. TRUMAN.

Mr. REES. Mr. Chairman, I yield myself 10 minutes.

This legislation providing for large increases in the salaries of top-flight people in Government, in my judgment, comes at a rather inopportune time. It is admitted that it is here because it is on the President's agenda and because of pressure from the White House. Let me say, too, that almost every Member in this House has been called upon either by telephone or in person to approve this bill.

Mr. Chairman, it is unfortunate and unfair to bring such an important bill to the floor of the House with only 1 hour's time for discussion. This measure should have opportunity for full and complete discussion by the membership of this House.

It provides for increases of salaries for 240 Presidential employees, all the way from 50 to 100 percent. It has been said that these are recommendations of the Hoover Committee. I disagree with that statement. The committee report states there should be increases in some of the higher positions, but certainly did not name 240 jobs, most of which will be increased from 75 to 100 percent. In my judgment the increases are too drastic. At the proper time I shall offer an amendment that will trim these amounts to considerable extent.

My proposal is that we reduce the amount paid to these Presidential employees. Do not forget we are not considering employees in classified service. These are all Presidential appointees and can be removed at the will of the President.

You will observe they are named in different groups. The first group is the President's Cabinet. The salary increases here are lifted from \$15,000 to \$25,000. I am not presently criticizing that particular category. I realize the members of the Cabinet are entitled to considerable increase in salary and that they have big expense accounts.

But, Mr. Chairman, take a look at the next schedule in section 2, these various Under Secretaries who are increasing their salaries 100 percent. Just think of



it. They receive \$10,000 per year, except probably 2 or 3 who get \$12,000. You hike the salaries of these people up to \$20,000. How are you going to justify your approval of that. I am willing to provide some increases, but these are clear out of line.

The next schedule in the bill, who are assistants in the various agencies, get from \$10,000 to \$14,000 now, and yet under the bill you pay them \$18,000 a year. It seems to me that \$15,000 would be pretty liberal.

Then in the next group are listed, among others, the Federal Mediation and Conciliation Director and the Assistant Federal Security Administrator. They get \$10,000. It seems to me that \$15,000 would be a pretty fair salary.

I would like to speak for a moment about schedule 5, a group of assistant secretaries. Many of these names were put in by members of our committee. They draw \$10,000 now. The bill gives them a 50-percent increase, or \$15,000; \$12,500, it seems to me, would be a reasonable increase.

If you will glance at the last paragraph in the bill, you will find a provision that gives the President authority under certain circumstances to lift the salaries of a number of persons up to \$18,000. The President can do it on his own account without further authority.

Let me say, too, that many of the men selected to fill these jobs are appointed not because of their particular qualifications but because of political affiliations and because of certain loyalties outside of particular fitness for these jobs. I regret to say that there are too many men holding positions in Government that are there because of political pull and not because they are qualified.

On the other hand, we have men in Government about whom you hear very little, but who are devoted to duty and are really underpaid. Among them would be included such persons as the head of the Federal Bureau of Investigation, the head of the Central Intelligence Agency, the Comptroller General, the Director of the Veterans' Administration, and other persons whose responsibilities are great and where public appreciation is comparatively small. Personally, I would like to single out a number of those jobs and pay them salaries to which they are entitled.

Let us not forget that you cannot compare salaries of these persons with the salaries of those employed in industry and business. As I said, there are many men and women who are devoted to their work and who, because they want to serve in these certain capacities, are willing to continue even though they may be offered higher salaries in other fields. Much has been said about competition of industry. The situation is so much different. Men devoted to these higher positions do not work because of salary alone, and so you cannot compare a \$100,000 a year executive in industry with a \$15,000 or \$20,000 a year executive in Government.

Only recently a man employed in a very high position in your Government and mine gave all he had. In fact, he lost his health and his life because of devotion to duty. Raising the salary of

that person would, as you know, make very little difference. It just does not work that way.

Mr. Chairman, there are more than 2,000,000 people employed in Government. There are several hundred employed with comparative salaries. With this bill you reach out and pick 240 and increase their salaries, as I said a moment ago, all the way from \$5,000 to \$10,000 a year. You could easily pick 500 more who are just as important as some of these included in the bill.

Mr. Chairman, I do not believe the President in his message to Congress is quite as forthright and realistic as he might be. I do not want to criticize, but I just do not believe he will have difficulty in finding men to fill these positions if he is looking for them on the basis of qualifications for the jobs. I believe you will find that with the exception of perhaps a half dozen appointees, most of them have to be qualified politically before they qualify otherwise.

Mr. Chairman, the problem of efficiency in Government will not be solved by simply increasing salaries of executives in policy-making positions. We have got to have men in public authority who will give first consideration to efficiency and to the best interests of our Government and its people. We have got to quit making appointments because of political debts or personal friendships.

Let me repeat, there are many capable men in Government and many of them deserve salary increases and many of them could make more money in private industry. Many of them who do leave the Government do it because of inefficiency and a realization that advancement in higher positions does not come alone because they have given their best to their jobs and to the Government they serve.

Again I repeat I do not believe the President will have difficulty finding men to fill high important positions.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Illinois.

Mr. YATES. I heard the gentleman say on other occasions that he is interested in our Government being operated on as business-like a basis as possible. Does not the gentleman agree with the intent of this bill which will certainly permit the attraction of many more capable people to the service of the Government, even assuming that they possess the moral and spiritual qualities which go with it?

Mr. REES. I wish that the views of the gentleman were carried out, but, unfortunately, these jobs do not all go to people who have qualified because of efficient and faithful service in our Government. You can count on the fingers of one hand the number of men holding high responsible positions in this group who secured their positions because of their faithful and efficient service in Government. These people, with the exception of a very few, are appointed from the outside.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am glad to support the gentleman's amendment, but does the gentleman think his amendment will correct the inequalities that exist in the matter of giving the Chairman of the Atomic Energy Commission \$18,000 and the Under Secretary of Agriculture \$20,000?

Mr. REES. It will not correct the inequalities to which the gentleman has called attention. It will be helpful however in that direction. As I said a while ago, this legislation is inequitable in so many respects and yet the leadership of the House has allowed only 1 hour's time in late afternoon, of which we are given only 30 minutes during which to discuss a piece of legislation that not only involves the expenditure of an additional million and a half dollars a year, but provides for the drastic increase in salaries of a selected top flight few in the executive department.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, the gentleman who preceded me said that this is an important piece of legislation. I agree with him in that regard. However, I cannot agree that it has not received full consideration by the Committee on Post Office and Civil Service of the House. Deliberations on this type legislation were started during the Eightieth Congress by a Senate committee headed by Senator Flanders. I was invited to sit with that committee as a guest. I had the privilege and opportunity of observing its work. I heard former President Hoover, Mr. Stevenson, head of the task force of the Hoover Commission, our former colleague, Mr. Ramspeck, and numerous other witnesses testify as to the necessity for this legislation. The adoption of this bill means economy and efficiency in Government and I would like you to follow this reasoning for the moment:

At the present time we have a \$10,000 ceiling on the salaries that may be paid to career employees in the Government service. That is the block that is on the salaries and the block that is on efficiency in Government. As you have heard it stated, we have raised the lower level of employees by 56 percent, yet we have only been able to raise the upper level by less than 15 percent. A man who had a \$9,000 a year job stopped at \$10,000; a man who had an \$8,000 a year job stopped when the increases brought his salary up to \$10,000.

The Hoover Commission recognized this weakness in our pay system and sets it forth in several places in its report as follows:

That in order to release the pressure and to establish a well-grounded merit system, it is necessary to raise the salaries of top-flight Government executives in order that the pressure may be released and we can raise the salaries of those career people who make the Government their life work.

On page 22 of the Personnel Management Report recommendation 11 reads:

Congress should raise the present salary ceiling of \$10,330 for career employees. At the same time, it should increase legislative,

judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

The Commission has considered confining these recommendations to the executive branch alone. Although aware that it is exceeding its charter, the Commission has concluded that to recommend any increase in salary without taking the total picture into consideration, would confuse rather than clarify an action that is essential in strengthening our whole Government structure.

On page 37 of the Task Force Report on Federal Personnel it says:

The present compensation of Government officials should be increased, and a permanent plan should be established for keeping all salary levels, fixed by law, properly adjusted.

There must be an adjustment in relation to the salaries of the appointed executives and the salaries of those people who are in the career service. The second recommendation is:

Raise the ceiling of the top civil-service grades (CAF-15 and P-8) to \$15,000.

I submit that it would not be consistent to raise the salaries of civil-service employees, career employees, within the executive departments to \$15,000 a year, and leave that of the assistant secretaries, the work horses of the departments, at a salary lower than that paid to the career employees.

Oh, we have heard a lot about the influence of politics and that sort of thing. That may be true for the glamour jobs, such as the Secretary of State or even the Under Secretaries. But, how about the Assistant Secretaries, the people that do the real executive work in the departments, who carry out the programs laid down for them? How many of you can name a dozen of these Under Secretaries?

The CHAIRMAN. The time of the gentleman from California has expired. Mr. REES. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, the Committee on Post Office and Civil Service labored long on the present legislation. When we started considering salary increases, the finances of this Government and of this country were very different from what they are today. For that reason I, at the present time, have very grave misgivings as to the wisdom of such legislation. It has been said that this bill carries out some of the recommendations of the Hoover Commission. That is true. It has also been said that Members of Congress are getting letters by the thousands from people back home advocating the putting into practice of the recommendations of the Hoover Commission. But, I would like to call your attention to one thing, the people who are writing from back home have not read all of the recommendations of the Hoover Commission. I doubt if any Member now on the floor of this House has read them all, and the reports of the task force. But, the people back home have seen the headlines. And, what do these headlines tell them? They tell them that the Hoover Commission has stated, and knows, that \$3,000,000,000 can be saved in the Federal Government, and that is what the people back home are writing about. They are writ-

ing for economy. They are worried, and they have reason to be worried about the financial structure of this country and of the western world. I do not believe that those same people will be very happy to see us in this House single out just one thing in the Hoover Commission, namely, the increase of salaries for some of the top brackets in the executive branch of the Government.

It has been said that timing is not very important. On the contrary, Mr. Chairman, I believe that timing is all important in Government and in life, and this is not the time to increase the costs of government.

Another thing, why do these increases have to come at the top of the pyramid? I admit that many of these top executives are deserving of far higher salaries than they are receiving. I have no doubt as to that, but I am equally certain that they may be in a far better position to get along and to make ends meet, as has been said here, on their present salaries than many employees in the lower brackets.

We are also constantly told that it is difficult to get the caliber of people that are needed in Government and especially in executive positions. That I believe is a fallacy. The men and the women who want to serve their Government do not serve for cash. They know perfectly well that Government can never compete with private industry. But Government service gives us other things. Government service gives us an inner satisfaction. It gives us the feeling that we are doing our patriotic duty. Not only that, but Government service gives prestige and many other things that no private industry can give an individual. Many of us have gotten to the point where we know there are some things that cannot be purchased with dollars. Surely these men, in executive positions feel that way.

We are certainly not worried about Government employees leaving the Government when we hear that today the Federal Government is taking in employees at the rate of 350 per day. Therefore, that service cannot be so very distasteful.

While I was sitting here I happened to see a headline in a newspaper held by one of my distinguished colleagues on this rather sparsely filled floor. That headline said that there were 15,000 more Federal jobs that had just been restored by the Senate of the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Chairman, this bill has had a great deal of consideration before the House Committee on Post Office and Civil Service. The committee has had at least six meetings on this bill. There has not been a single bill before our committee that has had more time or more deliberation than this bill, with the one exception of the very involved bill for the postal-rate increase. I can assure the members of this committee that each member of the committee had ample time to give his or her reasons both for and against each increase.

The original bill that was presented to the committee was compromised, and

that bill which was submitted by the chairman was finally adopted, with a few exceptions. I can say that this bill not only has the endorsement and support of many of those who appeared before the committee, but it also has the approval of, and is recommended for passage by the American Bar Association. The board of directors of the chamber of commerce have endorsed this legislation. I have a number of telegrams which were sent to various Members of the Senate and House recommending the passage of this particular legislation. I will read a few of these telegrams to different Members from some of the leaders in business as well as leaders in other outstanding organizations:

FEBRUARY 5, 1949.

The Honorable HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Hope it will be possible for you to support bill to increase salaries of top Government executives. Believe in long run it will be economy measure. Have seen many instances where first-rate men from education as well as business felt they could not afford accept important Government posts. Believe proposed measure would help attract better personnel.

Regards,

DONALD K. DAVID,  
Dean, Harvard Business School.

FEBRUARY 9, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Having had the experience over the past few years of seeing Government lose the services of very able men because they could no longer afford to work for the meager salaries Government could pay, I respectfully urge you to support Senator FLANDERS' bill to increase salaries of 200 top Government executives. The cost will be comparatively small and the rewards are certain to be great.

W. L. CLAYTON,  
Anderson & Clayton & Co.

FEBRUARY 7, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I am strongly in favor of Flanders bill to increase salaries of 200 top executives. Hope you can give it your full support.

ALFRED C. FULLER,  
Chairman, the Fuller Brush Co.,  
Hartford, Conn.

FEBRUARY 7, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

Understand bill, S. 498, introduced to increase salary of some 200 top Government executives is up for immediate consideration. Government, the biggest business on earth, needs the best administrators it can get. Hoover is confident his recommendations cannot be carried out except by able administrators and that salary increases are fundamental in attracting right men. I agree with him and hope you do and that you will favor adoption of bill.

FRED LAZARUS, JR.,  
President, Federated Department  
Stores, Inc.

MIDDLETOWN, OHIO, February 7, 1949.  
Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I strongly urge your support of the bill to increase Federal executive salaries. After



spending a year as chairman of the Advisory Commission on service pay, which made necessary a study of civilian business executives compensation and a comparison with top Government executives' compensation, I am convinced the Hoover recommendations if approved will result in more economic administration.

ARMCO STEEL CORP.,  
CHARLES R. HOOK,  
Chairman.

FEBRUARY 8, 1949.

HON. GEORGE P. MILLER,  
House Committee on Post Office  
and Civil Service,  
House of Representatives,  
Washington, D. C.:

As a businessman, I am happy to endorse House bill 1689, authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC A. JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

FEBRUARY 8, 1949.

HON. HERBERT O'CONOR,  
United States Senate,  
Washington, D. C.:

As a businessman, I am happy to endorse Senate bill 498, authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC A. JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

FEBRUARY 7, 1949.

The Honorable HERBERT O'CONOR,  
United States Senate,  
Washington, D. C.:

I urge support of bill S. 498, to increase salaries of 200 top Government officials, as it would appear almost a governmental necessity to adjust these salaries to modern conditions.

JOHN D. BIGGERS,  
President, Libbey Owens Ford Glass Co.

CANTON, N. C., February 8, 1949.

Senator HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

I am greatly interested in Senator FLANDERS' bill providing for increases in salaries for certain keymen in Government and desire to express hearty approval of Senator FLANDERS' objectives. With all other businessmen and taxpayers, I am most anxious to see great reductions in the cost of Government; but I am convinced that the Government cannot get and keep the type of men it should have in positions of responsibility unless it pays them salaries commensurate with the skill and experience required.

REUBEN B. ROBERTSON,  
President, Champion Paper & Fiber Co.

FEBRUARY 7, 1949.

HON. HERBERT O'CONOR,  
Senate Office Building,  
Washington, D. C.:

We New Englanders know value of dollar, but hiring mediocre help is false economy.

Strongly urge your subcommittee to report favorably S. 498. Must pay adequate salaries to obtain competent men to handle biggest business in world.

S. ABBOT SMITH,  
THOMAS STRAHAN CO.,  
Chelsea, Mass.

Mr. REES. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I do not believe there is any great issue involved here. We want these top executives to have an increase in salary. The question is how much? I am going to support the Rees amendment when it is offered for the reason that I feel that the increases granted by it are very adequate at this time.

I know something else which I am sure all of you also know, and that is that salaries, once increased by this body, are never decreased. If we find that the increases which may be granted are not sufficient, Congress can raise the salaries again. But decreasing salaries is a job that we have never been able to satisfactorily accomplish. The increases which are granted by the bill are, in many cases, simply too high to justify their adoption. All the telegrams that have been read to you and all of the recommendations that have been brought out are in favor of salary increases for these 244 executive personnel, but they do not advocate any specific amount. I believe you will find on close examination of the Rees substitute amendment that the Congress will, by passing that amendment, be very generous with its executive officials.

We should note also that everyone who is supporting this bill is opening the gates to all kinds of requests for salary increases from the 2,000,000 or more Federal employees. So we ought to take note of the fact that in pushing for these increases ranging up to 100 percent, it is going to be most difficult to refuse to give increases to others who are doing the hard job of efficiently carrying out the functions of this Government.

So I am going to urge my colleagues that at the proper time they support the Rees amendment, and if that should prove in later years to be insufficient, other increases can be granted.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CORBETT] has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I recognize the need for an increase in salary for the heads of these departments. There has not been an increase for these executives in quite a while. At the same time, I also recognize the fact that the increases should be reasonable ones.

In the bill that is presented the House there is a policy involved. I asked the question of every witness who appeared before our subcommittee whether or not he believed that as a matter of policy, without regard to whether or not congressional salaries were adequate or inadequate, he would advocate more pay for the heads of these executive departments than is received by Senator LUCAS, the majority leader in the Senate, or

that received by the majority leader of the House of Representatives, who must go home every 2 years and seek reelection at the hands of his people. I am still awaiting an answer.

I believe the amendment that has been offered by the gentleman from Kansas [Mr. REES] is reasonable. I have discussed these figures with the gentleman from Kansas. The figures that are presented by his substitute give an adequate and reasonable raise to each of these department heads.

As was so appropriately stated by the lady from New York [Mrs. ST. GEORGE], people do not look to the compensation received in Government as their only incentive for serving. They receive a part of their compensation in the knowledge that they have rendered a public service. The way I look at it, a rich man does not look at the salary he is to receive from the Government of the United States for his service as an incentive. The poor man thinks that \$10,000 or \$12,000 is a good salary and is delighted to get that kind of job. So you are not going to help the situation by raising these salaries 50 or 60 percent, as is called for in the committee bill. I am not willing to say, for instance, that an under secretary of any of the departments is worth as much to his Government and to the people of the United States as the majority leader or the minority leader in either the House or the Senate.

Mr. Chairman, I intend to speak again when the gentleman from Kansas [Mr. REES] has offered his substitute amendment. It is my understanding that there are available quite a number of copies of the Rees amendment and also an outline showing comparison between the Rees amendment, the present bill as amended, the bill as originally presented, and the present salaries drawn by these employees. I figured it up last night for the employees covered by the Rees amendment, some 205, and found that their salaries will be raised by 26.7 percent. In my opinion, that is a reasonable increase.

Not one person appeared before our subcommittee who could tell us of a single instance of a man who was about to resign because his salary was inadequate, nor could they tell us of a single instance in which a man would be replaced if this new salary bill were not enacted, replaced by a better employee.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GROSS], a member of the committee.

Mr. GROSS. Mr. Chairman, I take this time to briefly state my opposition to the pending bill, H. R. 1689.

I was a member of the subcommittee that held hearings on this measure; I voted against sending any such proposal as this out of the Post Office and Civil Service Committee.

I am not opposed to reasonable and equitable salary increases, but this proposal is unthinkable, unreasonable and inequitable. What is sacred about a \$2,000 or \$2,500 annual salary increase? Yet nearly all these increases are many times that amount.

In the hearings on H. R. 1689 not a single witness attempted to justify the proposed increases on the basis of increased cost of living. Over and over

again we heard the story that salaries at the proposed figures had to be paid to keep private industry from taking men from Government service. Yet not a single witness could or would produce figures to substantiate claims that those leaving Government service for private employment had bettered themselves materially.

In considering this outlandish salary increase proposal let's also keep in mind that many of those benefited under this measure are supplied with automobiles, chauffeurs, and practically unlimited expense accounts.

I say again that I am not opposed to reasonable salaries for Government officials. But in this matter, let us start with the little fellow at the bottom of the list—raise these workers where increases are needed. If there's anything left then apply it at the top. In other words, let us reverse the old procedure of giving the crumbs to the little fellow at the bottom of the list.

Yesterday, President Truman told newspaper reporters he is bullish about the economic condition of this country. In the same issue of the same paper—Washington Star—Secretary of Agriculture Brannan is quoted as saying the economic situation of farmers is becoming serious. The President ought to know that in a Nation, whose basic industry is agriculture, there is no reason for feeling bullish when the economic situation of farmers is serious.

Any such salary increases as proposed here are not compatible with the economic and debt situation that confronts this country. Further unnecessary expenditures on the part of the Government will only produce greater deficits and no matter how thin President Truman slices his bullishness the result will still be the same.

This bill will set a bad precedent in the matter of salaries and wages. It should have been amended in committee, not on the floor of the House. I am against it and whether or not there is a roll call my vote is hereby recorded in opposition.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, this bill should be returned to the place whence it came and in due time returned to the lodge, and if a member of the committee itself does not offer a motion to recommit I shall do so on the basis of the inequalities which appear in the bill.

If the Members will read the bill they will see what I mean. The Under Secretary of any department, the Under Secretary of Agriculture, for instance, is to receive \$20,000 under the bill, but the Chairman of the Atomic Energy Commission, who has one of the most responsible jobs in the United States today, is to receive \$18,000. The head of the CIA is increased from \$14,000 to \$17,500, while J. Edgar Hoover, head of the FBI, is increased from \$14,000 to \$15,000.

Every one of these Under Secretaries and Assistant Secretaries will receive more than Senators and Congressmen, yet do not have the expenses laid upon

them that are laid upon Members of Congress.

The Chairman of the Council of Economic Advisers is to be rewarded with a salary of \$17,500 while, as I said, the Assistant Secretaries of the various departments are to receive as much as he will get.

The head of the Reconstruction Finance Corporation, handling billions and billions of dollars, is to be given a salary of \$16,000 a year while the Under Secretary of Commerce is to receive \$20,000 a year.

Mr. Chairman, there is no justification for this lack of balance in the bill about which I am speaking. I have so little time that I cannot go into more detail, however if the Members will take the list of salaries in the mimeographed statement, or in the bill itself, they will understand what I mean by saying this bill should be sent back to the committee for the correction of its obvious inequalities.

Mr. Chairman, what brought up a bill like this? At the present time there are probably not more than a few dozen salaries in the entire Government picture that actually need to be increased, and these are specialists of various kinds. There are specialists in the Department of Agriculture, with whom the gentleman from Georgia, who has just risen, is familiar. Two or three of these specialists in their lines finally left the department because they could get higher salaries in outside positions; yet it was stated they would have stayed if the salary were raised from \$10,000 to \$15,000. We tried to meet that situation in the Appropriations Committee by allowing three salaries to go above \$10,000, but not over \$15,000, but another body of the Congress decided against this change. This does not mean we have to take every salary in Washington and raise an assistant secretary, for example, above men who administer large and important Government agencies.

Mr. REES. Mr. Chairman, I yield the remainder of my time to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I had not intended to speak on this bill, but there has come to my attention what is taking place in the city of Detroit or in the Detroit area. I think it worth while to mention it to the House. Canada has repealed its wartime excise taxes. As a result of that, the jewelers in Detroit find that people are crossing the Detroit River to Windsor, Canada, just 1 mile away, to make their purchases. They go to Canada and buy their jewelry where there is no excise tax. We still have an excise tax of 20 percent on jewelry. People are crossing the river to buy transportation tickets because they can buy them 15 percent less than they can buy them in the city of Detroit. Why? Because the United States has not reduced its wartime excise taxes and Canada has. There is no restraint on public spending. No effort toward economy, and there is no hope for the reduction of taxes. Only a change in public opinion or collapse of our economic system will halt this spending spree.

I realize this is a small bill, with probably less than \$1,250,000 involved, and

no doubt there are many justifications in this bill for an increase in salary. One, in particular, I think, should be increased more than it is, and that is the salary of J. Edgar Hoover, head of the FBI. That agency has served this Nation in a splendid way and has kept a leash on those within our midst who would destroy this Government and its way of life.

In my opinion there is no restraint on Federal spending here in the Nation's Capital. If one looks at the report of the Secretary of the Treasury, he will become alarmed. Here are his figures which I am going to give you. It shows that there is a change of over \$10,000,000,000 in receipts and expenditures of this Government in the short space of 12 months. When will Federal spending be curtailed or reduced? Not one of us in this body nor anyone else has ever been able to beat simple arithmetic. It cannot be done. As an example of public spending, take the subject of eggs. It has cost the taxpayers of this country \$93,000,000 for the support price on eggs alone during the last year. That is just one thing.

In addition to that, here are the figures from the Secretary of the Treasury summarizing budget results for the fiscal year 1949 compared with 1948. In 1948—and I am speaking of the fiscal year—the receipts of this Government were \$42,250,000,000; for 1949, \$38,000,000,000, a drop of almost \$4,000,000,000 in receipts.

What about expenditures? In 1948 expenditures were approximately \$34,000,000,000; in 1949, approximately \$40,000,000,000, or an increase of over \$6,000,000,000, and the deficit we find this year, as it ended on July 1 for the fiscal year, was \$1,810,000,000. The difference between receipts in 1948 and in 1949, and the expenditures amount to \$8,419,000,000, or a total change of over \$10,000,000,000.

I admit that \$1,250,000 provided in this bill will not provide an enormous strain on the financial structure of the Government, but it does become alarming when we consider the trend in this country.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Georgia.

Mr. PACE. I just wanted to state that it seems to me very unfair to grant Mr. Hoover, who is trying to protect the security of this Nation, a raise of only \$1,000, while you are granting men of lesser or insignificant responsibility raises of from \$7,000 to \$10,000.

Mr. DONDERO. The gentleman is entirely correct, and I agree with him.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. REES. I will say to the gentleman that in the original bill J. Edgar Hoover was not even included, but the committee put him in for an additional \$1,000.

Mr. DONDERO. Yes, I understand that; and when we consider that increase in pay with the increases accorded to others, I think it is insignificant.



The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I join with my colleagues who look upon our Federal budget today with concern. The gentleman from Michigan [Mr. DONDERO] spoke apparently in support of the repeal of the excise taxes. I realize that these were wartime taxes and we should take wise action in determining what is best for our entire economy with reference to excise taxes. However, I think the gentleman needs to recall the action of the Eightieth Congress and be frank enough to admit that we have the excise taxes today because they were made permanent during the Eightieth Congress in order to effect the Eightieth Congress income tax cut. It is generally conceded that the income-tax cut made during the Eightieth Congress could not have been done without the retention of the excise taxes. Therefore, in a large measure the condition of the Federal budget position today is due to the action of the Eightieth Congress in cutting income taxes at a time when there was little demand for such action except from those best able to pay. I recognize the fact that it now appears perhaps unwise to increase taxes, but we should certainly orient our thinking in terms of what is best in carrying out the services of the Federal Government and not make the mistakes that were made in the Eightieth Congress in breaking down the tax-producing methods that are so essential if we maintain the services demanded by the people of this country.

I am one of those who believe in protecting our Federal economy by bringing into the Federal service our best and most able administrators. Therefore, must we not, Mr. Chairman, take action now in behalf of our national economy by extending some degree of consideration to those key men in the Federal service who must have some consideration from this Congress. We certainly will take favorable action if we believe in good administration.

At the present moment it appears that there is pending before the Congress for national defense a suggested appropriation of \$13,000,000. I submit, Mr. Chairman, that we could very easily suggest some real economy in the national-defense program to the end that the amount of money represented by the increase in Federal expenditures in this bill could easily be absorbed without injury whatsoever to the national-defense program.

Mr. Chairman, the Comptroller General of the United States, the Honorable Lindsay C. Warren, is looked upon by all of us who know him as one of the most outstanding public servants in the Federal service. Within recent days Mr. Warren appeared before the Subcommittee on Compensation and Personnel, Committee on Post Office and Civil Service, United States Senate, in support of additional compensation for key personnel in the Federal service. I would like to quote from the statement by our

able and outstanding Comptroller General:

I served for 16 years as a Member of the House of Representatives. Throughout that period and in my present capacity as Comptroller General, I have been deeply concerned at the growing difficulty of attracting able men to the service of the Government and keeping them there. I do not intend what is said here to be taken as criticism of any officer now in the Government. Indeed, I have said many times that we have some of the finest administrators to be found anywhere. Rather it is my hope that something will be done to keep these men and to obtain the services of others of equal caliber.

The task of administering a large and far-flung organization is by and large one of getting the right men for the right jobs and retaining them. The necessary formula for a successful private business is to get the best men you can to run it, whether at high cost or low. Such necessity is tenfold greater in the Government—the biggest business in the world—where the stakes are so high, the operations so broad, and the pitfalls so deep. We cannot hope to get and retain such men if we will not pay the price. Right now I think it will be conceded that the reward—if it can be called that—for public service too often is pitifully inadequate. Too often the compensation is trivial when compared to the job being done and what could be earned elsewhere. It has driven out many of those best qualified, has created hardship on those who stay at their posts through devotion to duty, and operated as a deterrent to any effective injection of new blood.

There are both rewards and penalties for those in public office. I do not advocate that the Government meet salaries offered by industry, because that cannot be afforded. But at least the salaries should be such as to attract and keep able public men without too great a sacrifice on their part. Widely in the Government service there are spread groups of fine employees who demand and are paid the prevailing wage scale. The Congress requires that the same scale be paid by those holding large Government contracts. I know no justification at all for denial of somewhat more nearly prevailing wages for the relatively few executives who are responsible for directing the far-flung activities of the Government. It is obvious that some (I repeat some) narrowing of the widespread in executive salaries between private and public business is called for.

I do not plead the cause of any job holder, or ask for help or benefits for anyone, no matter how deserving. It has been and is my policy—though sometimes seeming to be a voice crying in the wilderness—to speak out for the interests of the Government, which means for the interests of the United States as a whole. Government is called upon to be, in a worldly sense, the savior and protector of all of us, our bulwark for a free economy in a troubled and confused world. Is it not obvious we hurt ourselves, that is, our country and its people, when we fail to provide the wherewithal to get done the job the people demand? Are we not being penny wise, pound foolish?

What are the facts? I know of my own knowledge of a number of agency heads who after fine and faithful service were forced to leave for the greener pastures elsewhere, and I know of many other able men whose services the Government was denied because in this competitive world the biggest business of them all could not reward them according to their worth. The fact is that in some quarters the turn-over has been so frequent that no sooner do we in our daily contacts get acquainted with those in charge than they are changed and new ones come in. The sad part is that many leave just as they have learned to know their jobs and are in position to render service of real

value—and sometimes even before. Some executive positions in the Government have gone begging for months.

In my reports to Congress I have called to account time and time again agencies which were poorly run, inadequately staffed, incompetently managed. This has been done in pursuance of my duty under the law, and with full knowledge that the need is for better management in the executive positions. We have all said we must have better men to turn the wheels of Government. But here as anywhere else, you get only what you pay for.

Anyone who really seeks better Government, who opposes waste, extravagance, and inefficiency, will further that cause by supporting this legislation to give the President the best human equipment to run this complicated Government machine. I think this bill goes far—perhaps here and there not far enough—to supply that need. I endorse it wholeheartedly and congratulate you gentlemen for your resolution to do something to remedy a bad situation in our Government.

Mr. Chairman, there has long been a compelling need to increase the rates of compensation of heads and assistant heads of the executive departments and other officials of the Government who are charged with much responsibility. I sincerely feel that some action in this direction must be taken if the Government is to obtain and keep the services of qualified executives. The Government may be able to obtain the services of persons to fill these responsible positions at the present salary rates only if it disregards the qualifications of such persons.

Once the services of capable persons are obtained for these executive positions, consideration must be given to the retention of them. Any appreciable turn-over in top-flight executives is not in the interest of the Government. Many top-flight executives will remain in these Government positions where extraordinary ability is required for a limited time only unless there is some provision for adequate salaries.

The annual salaries of top executives in outside industry, in positions comparable to the positions covered in this proposed legislation, range from \$75,000 to \$300,000 per annum.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I take this time to correct one or two of the remarks made in debate by the opponents of this pay increase.

The gentleman from Pennsylvania observed that once pay increases are given there is no tradition of any reduction. I would remind him of the Economy Act of 1934, which is within the memory of most of us, when Government salaries were reduced by 15 percent.

The opponents of this increase are, however, in good tradition in insisting upon low pay for public servants. The expression of this attitude goes back to the Constitutional Convention in 1887. At that Convention, Mr. Gerry, from Massachusetts, stated:

One of the principal evils in representative government arises from the want of due provision for those employed in the administration of government. It would seem to be a maxim of democracy to starve the public servant.

For the information of the committee, a comparison of the salaries now being paid to the civilian employees of the Government with those which this House approved for the members of the armed services points out some rather interesting contrasts. At the present time, according to the committee report, there are slightly over 3,000 civilian employees who receive more than \$10,000 a year, out of about 2,000,000 employees. Under the pay bill we have just passed there will be 27,784 members of the armed services who will receive more than \$10,000 per year, out of slightly more than 1,500,000 members.

There has been some concern expressed here that Government employees should receive a good deal of satisfaction which is nonfinancial or nonpecuniary in nature. Let me say to the members of the committee that if this pay bill is passed Government employees will still have an opportunity to enjoy that kind of satisfaction. The salaries proposed in this bill are so far below those paid in comparable positions in private industry that public service will not be for sale and loyalty and patriotism not reduced to a cash-payment basis.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

SEC. 2. (a) The rate of basic compensation of the Chairman of the Atomic Energy Commission, the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Chairman of the Board of Governors of the Federal Reserve System, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$22,500 per annum.

(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$22,500 per annum, three at rates not exceeding \$20,000 per annum, and seven at rates not exceeding \$17,500 per annum."

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the members (other than the Chairman) of the Board of Governors of the Federal Reserve System, the members (other than the Chairman) of the Council of Economic Advisers, the members (other than the Chairman) of

the Atomic Energy Commission, the Public Printer, the Librarian of Congress, the Federal Mediation and Conciliation Director, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Director of Central Intelligence, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Executive Assistant Administrator of Veterans' Affairs, and the Assistant Federal Security Administrator shall be \$20,000 per annum.

(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$20,000 a year."

SEC. 4. (a) The rate of basic compensation of the members of the Home Loan Bank Board; the Public Housing Commissioner; the Federal Housing Commissioner; the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; the Archivist of the United States; of all members of the Civil Aeronautics Board; the Displaced Persons Commission; the Board of Directors of the Export-Import Bank of Washington; the Federal Communications Commission; the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); the Federal Power Commission; the Federal Trade Commission; the Interstate Commerce Commission; the National Labor Relations Board; the National Mediation Board; the Railroad Retirement Board; the Board of Directors of the Reconstruction Finance Corporation; the Securities and Exchange Commission; the Board of Directors of the Tennessee Valley Authority; the Civil Service Commission; the United States Maritime Commission; the United States Tariff Commission; the Indian Claims Commission; the War Claims Commission; the Philippine War Damage Commission; the Board of Commissioners of the District of Columbia; of the General Counsel of the National Labor Relations Board; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmaster General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Architect of the Capitol; the Assistant Federal Works Administrator; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$17,500 per annum. Notwithstanding the act of February 23, 1931 (5 U. S. C. 152a), the salary of the legal adviser of the Department of State shall not be increased as a result of this act.

(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: "The Assistant Director shall receive a salary of \$17,500 a year."

SEC. 5. In any case in which the chairman or other head of a board or commission, the rate of basic compensation for members of which is prescribed by section 4 of this act, has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$20,000 per annum.

SEC. 6. (a) Section 364 of the Postal Rate Revision and Federal Employees Salary Act

of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date of enactment.

(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed \$10,000 are hereby increased by \$330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not a Foreign Service officer or a Foreign Service staff officer or employee on such date.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute.

Mr. MURRAY of Tennessee. Mr. Chairman, this bill is in the form of a committee amendment. The original bill was stricken out and this language inserted. I think the committee amendment should be perfected by any amendments before the substitute is taken up.

The CHAIRMAN. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum."

"SEC. 2. (a) The rate of basic compensation of the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$20,000 per annum."

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"§ 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$20,000 per annum, three at rates not exceeding \$18,000 per annum, and seven at rates not exceeding \$16,000 per annum."

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

"SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the Chairman of the Atomic Energy Commission, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs shall be \$18,000 per annum."



"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$17,500 a year."

"(c) The rate of basic compensation of the Public Printer, the Librarian of Congress, the members (other than the Chairman) of the Council of Economic Advisers, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$17,500 per annum.

"Sec. 4. The rate of basic compensation of the members of the Board of Governors of the Federal Reserve System; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; the Chairman of the Board of Directors of the Export-Import Bank of Washington; members of the Federal Communications Commission; members of the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; the Chairman of the Board of Directors of the Reconstruction Finance Corporation; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; members (other than the Chairman) of the Atomic Energy Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; and the Assistant Federal Works Administrator shall be at the rate of \$16,000 per annum.

"Sec. 5. (a) The rate of basic compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the Board of Directors of the Reconstruction Finance Corporation; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclama-

tion; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$15,000 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$15,000 a year.'

"(c) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"Sec. 6. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$18,000 per annum.

"Sec. 7. (a) Section 304 of the Postal Rate Revision and Federal Employees Salary Act of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date.

"(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed \$10,000 are hereby increased by \$330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not a Foreign Service officer, a Foreign Service Reserve officer, or a Foreign Service staff officer or employee on such date.

"(c) No person whose compensation is increased by this section shall be entitled to any overtime pay, or compensation for night and holiday work, as provided in sections 201, 301, and 302 of the Federal Employees Pay Act of 1945, as amended, based on the additional compensation provided by this section for any pay period ending prior to the effective date of this act.

"Sec. 8. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. MURRAY of Tennessee (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I have several amendments at the Clerk's desk, which I now offer.

The Clerk read as follows:

Amendments offered by Mr. MURRAY of Tennessee:

On page 7, line 3, insert before the word "each", the following: "the Administrator of General Services."

On page 7, line 25, and page 8, line 1, strike out "the Federal Works Administrator."

On page 9, lines 17 and 18, strike out "Assistant Federal Works Administrator", and insert in lieu thereof the following: "Deputy Administrator of General Services."

On page 9, line 21, strike out "War Assets Administrator", and insert in lieu thereof, the following "Director of the Bureau of Federal Supply."

Page 9, line 23, insert after "States", the following: "the Assistant Architect of the Capitol."

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment to section 3 on page 8. Would it take precedence over everything after that, or will I have the opportunity to offer it after the gentleman from Tennessee discusses these amendments?

The CHAIRMAN. The gentleman from Florida may be recognized to offer his amendment after the pending amendments are disposed of.

Mr. MURRAY of Tennessee. Mr. Chairman and members of the committee, these amendments, with the exception of the last amendment which was read by the Clerk are offered because of the enactment of the Federal Property Administrative Services Act of 1949, which was approved on June 30, 1949. This act transferred the functions of the War Assets Administration, the Federal Works Agency, the National Archives, and the Bureau of Federal Supply to the new agency known as the General Services Administration.

Because of this consolidation, the amendments are necessary to eliminate from H. R. 1689 the following positions: Federal Works Administrator, Assistant Federal Works Administrator; and the War Assets Administrator. All three of these positions were abolished by this act creating the Federal Property and Administrative Services. The act also provides for the appointment of an Administrator of General Services. He has already been appointed. His nomination has been confirmed by the Senate. The man is Mr. Jess Larson. The purpose of these amendments is to strike from this bill the War Assets Administrator, the Federal Works Administrator, the Deputy Federal Works Administrator, and to put in Mr. Larson as head of the Administrative Services Agency, putting him in the \$20,000 bracket, because he has a most responsible position, having charge of public buildings, Federal works, ordering supplies, public roads, and the National Archives. Since the position of the Federal Works Administrator and the Deputy Federal Works Administrator and the War Assets Administrator have already been abolished by act of Congress, I am sure there can be no objection to striking those positions out of this bill and having the Administrator of General Services, and also

the Deputy Administrator of General Services included in the bill.

I propose to put the Administrator of General Services in the \$20,000 bracket and the Deputy General Services Administrator in the \$16,000 bracket. That is the purpose of the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Tennessee [Mr. MURRAY].

The amendments were agreed to.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment.

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take priority, as I understand it.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take precedence, in my opinion, over the substitute.

The CHAIRMAN. The Chair desires to make a statement. There is pending before the Committee a committee amendment. The gentleman from Kansas [Mr. REES] has offered an amendment which the Chair understands is in the nature of a substitute amendment. The gentleman from Florida, or any other Member, can offer amendments perfecting the committee amendment. The order will be, first, the amendment perfecting the committee amendments; next, on the perfecting amendments, if any, to the substitute amendment; then on the substitute amendment; and then on the committee amendment.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the substitute amendment is voted down, will the committee amendment still be open to amendment?

The CHAIRMAN. It will. The Clerk will report the amendment offered by the gentleman from Kansas.

Mr. ROGERS of Florida. Mr. Chairman, a point of order. My amendment is a perfecting amendment to the committee amendment. Will that not take precedence?

The CHAIRMAN. The gentleman will have an opportunity to offer his perfecting amendment.

The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. MURRAY of Tennessee. Mr. Chairman, the Clerk did not read the last two amendments which I have on the Clerk's desk, which are perfecting committee amendments.

The CHAIRMAN. After the Clerk reports the amendment offered by the gentleman from Kansas [Mr. REES] the Chair will direct the Clerk to report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Substitute amendment for the committee amendment offered by Mr. REES: "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be \$17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$16,000 per annum, three at rates not exceeding \$15,000 per annum, and seven at rates not exceeding \$12,000 per annum."

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Director of the Federal Bureau of Investigation, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant

Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$12,500 a year."

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"SEC. 5. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of \$15,000 per annum.

"SEC. 6. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CORBETT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the substitute be dispensed with. It is rather lengthy, but I understand copies are available at the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Would the gentleman from Kansas object to the Clerk reporting the amendments offered by the chairman of the committee [Mr. MURRAY]?

Mr. REES. I have no objection, Mr. Chairman.

The CHAIRMAN. The Clerk will report the committee amendments offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee:

Strike out section 7, beginning on page 12, line 1, and ending on page 13, line 2.



On page 13, after line 2, insert the following new section:

"SEC. 7. The applicable appropriation for the fiscal year ending June 30, 1950, shall be available for payment of compensation at the rate established for any position by or pursuant to this act unless it is specifically provided that such appropriation shall not be available for such purpose."

Mr. MURRAY of Tennessee. Mr. Chairman, the first amendment strikes out section 7, and is offered for this reason: It provided for a retroactive increase to July 1, 1948, of the classified employees of the District of Columbia and the foreign service, of \$330 per annum. As the Members know, the Congress has already passed a bill authorizing retroactive pay of \$330 per year for the employees of the District of Columbia and the Foreign Service, to July 1, 1948. So this language is not necessary and should be stricken out, because it has already been taken care of by separate legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. DONDERO. And that will reduce the amounts specified in the report from about \$6,000,000 to \$1,237,000?

Mr. MURRAY of Tennessee. That is correct.

The second amendment, Mr. Chairman, is simply a clarifying amendment providing that the appropriations ending June 30, 1950, shall be available for the payment of this compensation.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. REES. Mr. Chairman, in an effort to facilitate matters, because of the short time during which to discuss this measure, being only 30 minutes on our side, I have made reprints of my amendment available, also mimeographed copies of comparative statements with respect to the changes I propose in this legislation.

Before beginning a discussion of this amendment I recall that J. Edgar Hoover's name has been mentioned several times by other Members during this discussion. I also hold Mr. Hoover in the highest regard. In fact, I think he is one of the greatest men in Government today. Sometimes I think he has not received the support to which he is entitled, but let me say to you that when the bill was first submitted, the office of the Federal Bureau of Investigation was not included. It was put in the bill, however, by the committee at a salary of \$15,000. My amendment does not change that figure. Personally, I agree he is entitled to higher pay.

Mr. Chairman, as I said at the outset, I am not objecting to reasonably increasing the salaries of this group of employees. I call your attention to the fact that these 240 people are not civil-service employees. Very few of them ever have been; so do not get them confused, please, with career employees. These people are appointed to jobs, appointed by the President, some confirmed by the Senate and others not.

My amendment does not affect the salaries of the members of the Cabinet, although you do increase their salaries as much as 66 percent in this bill. Now look at section 2 of the bill. You will find the Under Secretaries, and there are many of them who are presently being paid \$10,330 a year. There are about four exceptions who get \$12,000. Under this bill you pay them \$20,000. In other words, you double their salaries at one swoop. My amendment attempts to compromise that figure. It seems to me that \$20,000 for these Under Secretaries is far out of line.

Section 2 of this bill authorizes the President to employ assistants to the President, special counsel to the President, and secretaries to the President. In section 3, you have various assistants and deputy administrators, several of them presently receiving \$10,000. This bill would pay them \$17,500, an increase of \$7,500 per year. This is an increase of 75 percent.

There is mentioned in this bill an office that many never heard of before, the Director of the Administrative Office of the United States Courts. He now gets \$10,000; under this bill you give him \$17,500. I think \$12,500 would be liberal for that job.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Georgia.

Mr. COX. I have examined the schedule prepared by the gentleman and which has been distributed pretty generally here in the House. I am wondering if the gentleman would not be willing to accept an amendment to his substitute by striking out the figure \$12,500 appearing in line 7 on page 5, and inserting in lieu thereof \$14,000?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Chairman, will the gentleman repeat his question?

Mr. COX. Would not the gentleman consider amending his substitute by striking the figure \$12,500 on page 5, line 7, and inserting in lieu thereof \$14,000? In the category you deal with there you have members of the Federal Trade Commission and others holding very responsible positions and they seem to be entitled to better treatment than the gentleman has suggested in the amendment he has offered.

Mr. REES. I may say to the gentleman I realize there are a number of public officials who are entitled to more pay than they receive. I appreciate the gentleman's views as I respect his opinion with regard to other matters that come to the floor of the House for consideration. His amendment relates to members of various commissions. I thought an increase of \$10,000 to \$12,500 should under the circumstances, be fair. These are appointive positions and usually extend over long periods of time. If the gentleman will submit his amend-

ment in due time and the House wants to approve such increase, I will, of course, be required to submit to his proposal.

Mr. Chairman, a great deal has been said on the floor of the House about getting better qualified people for these particular jobs appointed by the President. I do not believe you will find men of much different caliber or qualifications in these positions just because you increase their salaries by 50 percent and 100 percent as you are doing under this legislation. It will be interesting to observe, in the event this bill is approved, whether there are changes in the appointments in these positions.

Men who serve in public office, which include Members of Congress, do not necessarily serve because of the salary they receive. Of course, they are entitled to sufficient salary to carry on, but they do not expect to make money out of such service. There are those who will tell you about certain individuals here and there who have served the Government faithfully and well and go out in industry and do better. I agree with that, but they accepted such positions because they wanted to serve their Government, and their country; otherwise they would not have been in Government at all. For instance, we read in the newspapers about one man who served in the President's Cabinet who could have commanded a much higher salary on the outside, but he stayed on the job in devotion to his duty. You cannot pay salaries to attract people like that to these jobs. There are many men who secure appointments not because of their particular qualifications. Too many are appointed because of political affiliation and by reason of service rendered to the party and contributions made to the party, rather than because they are particularly qualified for the jobs. In other words, political service comes first and qualifications second. Do not misunderstand me. This is not true in all cases, but in far too many. It would be interesting if you would take the time to look the list over and see how many are included in this bill who are appointed because of the reasons I have indicated.

I want to call your attention to one big factor in connection with this bill. After you have raised the salaries, as proposed in this bill, you are going to be confronted with additional bills that will raise salaries clear across the board and which will amount to not millions but to as much as \$2,500,000,000.

I make this statement for the reason that in approving this legislation you are, as a matter of policy, approving much higher salaries for thousands of employees who now receive a \$10,000 salary ceiling. As a matter of fact, there are thousands of faithful career employees who are just as much and even more entitled to such increases than those included in this special legislation for a selected few you are considering this afternoon. Again let me repeat these are not career employees.

Mr. Chairman, much has been said about the recommendations of the Hoover Commission. In this particular case the Commission did recommend higher

pay in policy-making positions, but certainly did not recommend these figures. But more important, I am sure, it was the intent of the Commission in making such recommendations that those employed would be appointed because of their particular fitness for the job and that political affiliation or obligation would be secondary.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Members will vote this substitute amendment down. Your Committee on Post Office and Civil Service gave long deliberation to this bill. It is a compromise bill. This bill was introduced at the opening of Congress, and the Committee on Post Office and Civil Service did not reach a conclusion on the bill until March. So they had it under consideration for over 2 months. We had extensive hearings. We went into the matter most thoroughly and carefully, and, as I said, every position in the bill as originally introduced was lowered in salary except the salaries of the members of the Cabinet. We lowered the salaries of all other positions besides the Members of the Cabinet as much as \$2,000 to \$2,500.

I hope you will stay with the committee and vote this substitute down, because the substitute proposed is not justified by the gentleman from Kansas, who proposes to cut the salaries of some of these officials from \$17,500 to \$12,500. He makes a reduction of \$2,500 in the salaries of officials getting \$20,000. Then he reduces the salaries of those in the \$18,000 bracket to \$15,000, a reduction of \$3,000. Then he reduces the salaries from \$17,500 to \$15,000, a reduction of \$2,500. Then he reduced the salaries of those listed at \$16,000 in this compromise bill to \$12,500. Then he reduces the salaries of those listed at \$15,000 to \$12,500.

I know that the Members present here have not had the time, the opportunity, or the privilege to study this matter as the members of the Committee on Post Office and Civil Service have. We have worked long on this. We have brought out a good bill. It is a fair compromise. It is not exactly what the President asked for. We reduced the amounts in some cases. But I do say this, this is a non-partisan measure; it is a bipartisan measure, and the salaries proposed are in line with the salaries of a bill introduced by the Republicans over in the other body at the Eightieth Congress. So it is not in any way a partisan matter, and I appeal to the Members to vote down this substitute.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The argument advanced by the gentleman from Tennessee, I trust, will commend itself to the Members of the House. The Committee on Post Office and Civil Service has given this matter very serious consideration. The bill before us now is a compromise bill, reducing, outside of the members of the Cabinet, the amounts

recommended and sought for by the President. Now, if the substitute is defeated, then, on particular positions—such as the Director of the Federal Bureau of Investigation—an amendment can be offered to the committee amendment which will be pending before the House, and the few inequities that might exist in the minds of some Members can be clarified through such an amendment offered from the floor. I join with the chairman of the committee in expressing the hope and urging that the substitute offered in good faith, as it always is by the gentleman from Kansas, will be rejected.

Mr. MURRAY of Tennessee. I thank the gentleman from Massachusetts.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Texas.

Mr. LYLE. I am impressed with the fact that this is not a salary-increase bill. I think, for the first time in the history of this country, your committee has studied the jobs affected and the work that they do and the responsibilities, and have set such salaries commensurate, so much as they could, with the work and not with the personalities involved. As I understand, it is not a salary increase for the people concerned that is involved, it is a reclassification of the positions, with the salaries being changed so as to be more nearly in accord with the responsibilities of those positions.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Georgia.

Mr. COX. I have no quarrel with the position taken by the gentleman from Kansas, but I do wish to make this observation. The gentleman will be able to get the same consideration on the committee bill that he could get if his substitute were adopted. In other words, I cannot see the importance of the adoption of the gentleman's substitute in order to get consideration for the changes he desires.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a great deal has been said about timing in this bill and a great deal has been said about compromises. The bill as it now stands is a compromise. The original bill as introduced by me called for salaries of \$17,500 for those positions which are fixed in the bill at \$15,000. In the spirit of compromise in the committee, I accepted that. We fought that all out, and I thought that we were through.

May I read what Mr. Hoover had to say in connection with the original Flanders bill, from which the original bill, H. R. 1639, was taken. Appearing before the Flanders committee he said in part:

I have seen the question raised that this means a vast increase in the expenditures of the Government and the advocacy of such a measure on the part of such a commission as the Commission on Reorganization is a contradiction of its purpose—reduction of expenditures.

As the Commission has recommended it, it somewhat conflicts with the idea of reducing expenses; but, as a matter of fact, there is no greater economy in the Government than the attraction of greater ability and greater skill.

That is what this proposes. Let me reiterate what I have said before. The Hoover Commission has recommended in Appendix A of the Task Force Report that grades CAF-15 and P-8 be set at \$15,000. Those are merit service jobs. These are the civil-service jobs. It is said the level should be raised to \$15,000, and this bill places the assistant secretaries, who will supervise these high-ranking Government officials, at the same level that that it is proposed to pay them. I submit it is not good business, if we are going to carry out the Hoover Commission report, to pay civil-service employees \$15,000 a year, and pay the executives who will administer and direct those people, \$14,000 a year, or \$12,500 a year. Verily, I say to you this is penny-wise and pound-foolish. We have heard this argument about the salaries of Members of Congress, and that they should not be paid more than that. Let us be factual. Our salaries are \$16,500 a year. We pay ourselves \$12,500, and we take \$2,500 in nontaxable expenses. If you figure it out, it comes very close to \$16,500 a year. So we would be paying the servant more than the master. But if that argument holds good, and you adopt the Rees amendment, then you are falling in the position of paying the employee, the servant, more than the master.

In respect to timing, may I say I quoted that from Appendix A of the Hoover Commission Report, the very first one to be filed. I feel that the schedule of bringing this bill out, a bill which will give us the proper type and encourage the proper type of Federal employee to administer the affairs of Government, is in good keeping and in consonance with the best thought and recommendation of the commission for which we appropriated \$2,000,000.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 8, line 19, after the word "Administrator", insert "Director, Federal Bureau of Investigation."

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, the consideration of this bill at this particular time disturbs me somewhat. There is always a time for everything. The Good Book says there is a time to mourn and a time to rejoice. There is a time to laugh and a time to cry. There is a time to do this and a time to do that. But I want to say to the membership of the House I doubt seriously whether in our Nation's financial and economic condition at the present time we ought to increase the expenses of Government. I want



you to consider yourselves as directors of a great corporation. You are directors of a great corporation. You represent the stockholders of this great Government of ours. You have the duty of taking care of the interests of the people and of taking care of the Government. I appeal to your business sense and judgment. If you were called together to a meeting to pass on the policy of a corporation in which you were directly interested and where your money was being expended, and if there was facing you a deficit of \$1,867,000,000, and an indebtedness of \$252,000,000,000, if your corporation faced the possibility of going into the red more than \$5,000,000,000 for the next fiscal year, what would you do? Would you increase the salaries of the employees of that corporation? Would you do it? That is what we are doing. We are here as representatives of the people of the respective States who are stockholders in this great Government of ours. We are here expending their money. We are asking them, in face of the facts which I have related to you, to increase the salaries of the heads and assistant heads of executive departments and independent agencies of this Government. Is it fair to them? Is it right? Do we know where we are going?

When the President sent his letter to the committee on January 6, 1949, the picture was a great deal different than what it is now. It looked like we had to deal with the problem of inflation. But since that time where have we gone? The members of the Council of Economic Advisers do not know where we are going. Mr. Nourse says we are in a state of disinflation. One of the other members says he does not know where we are. But we do know we are in a period of declining prices and business and in a period of increasing unemployment, which you may call recession, disinflation, or deflation.

I appeal to the common sense of your best judgment as to whether or not this is the proper time for us to consider increasing the expenses of Government by increasing the rates of compensation as provided in H. R. 1689. I say to you we should put this off until we find where we are. There is an economic storm brewing. I think it is unsafe for us to go on a spending spree now, not knowing where we are going.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. I understood the gentleman to offer an amendment. I understood that your amendment would give the Director of the FBI an increase to \$17,500.

Mr. ROGERS of Florida. Yes.

Mr. MURRAY of Tennessee. Let me ask the gentleman this question. If we agree to amend the bill in accordance with the gentleman's amendment, will he then support the bill?

Mr. ROGERS of Florida. This is the only increase in salary that appeals to me, this increase to J. Edgar Hoover. I do not think we should go overboard and ask this Congress to increase salaries \$1,237,000 at this particular time.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. If we agree to your amendment and the amendment is adopted, will the gentleman then support the bill?

Mr. ROGERS of Florida. I say to the gentleman that this is no time for us to launch into the expenditure of money for this program. It is not the time, because we do not know whether we are going into a depression or a recession or what not. Every man included in this bill, when he took his job, knew what he was going to get at the time he took the job. You cannot increase salaries during your term of office. Now, why not let this roll along for the time being, and then later on, in 1950, we will know possibly where we are going. We are floating somewhere. We all talk "economy, economy," but we do not practice it in a single way, in a single piece of legislation that this House has enacted. This legislation should be postponed.

However, should this bill pass, I think it should be amended to increase the compensation of J. Edgar Hoover. I am certain you will concur, if you will refer to page 64 of the report on H. R. 1689 and read the responsibilities of the Director, Federal Bureau of Investigation. We raised the salaries from anywhere from \$5,000 to \$10,000 at one swoop, at one stroke; yet here is a man looking after the national security—he looks after your security—who has been meagerly paid all the time he has been Director of the Bureau of Investigation. The thought struck me as having merit, that his salary should be increased. I therefore prepared an amendment transferring the Director of the Bureau of Investigation from page 10 to page 8, where I place him in a class with the Public Printer. The Public Printer will get \$17,500; the Librarian of Congress will get \$17,500; and I feel sure that the Members of the House believe that J. Edgar Hoover should get \$17,500. Let me say to you that while he is no special friend of mine I do know him and know that he has done a splendid job for the people. If this bill is to be passed I think he should be placed in the class of those receiving \$17,500. The adoption of my amendment would be a vote of confidence in J. Edgar Hoover and the splendid work he is doing for our Nation.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no objection to the amendment offered by the gentleman from Florida; in fact, I think it is praiseworthy. We have no more faithful or more valuable public servant in America today than the present incumbent of the office of Director of the Federal Bureau of Investigation, J. Edgar Hoover.

The reason this office was not included in the original bill was because he was not an appointee of the President. Mr. Hoover is appointed by the Attorney General, not by the President. For that reason that office was not included; the bill, in its original form, did not include any official not appointed by the President.

I am disposed to accept the amendment, and I hope the gentleman from Florida will then vote for the bill.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I support the amendment of the gentleman from Florida because my examination of the bill and the committee report reveals certain inequalities that are perfectly obvious to everyone. In fact, I have an identical amendment on the Clerk's desk. The Committee on Post Office and Civil Service has made the proposed salary adjustments on the basis of duties and responsibilities, but in my estimation they have missed the boat in evaluating the position of the Director of the Federal Bureau of Investigation.

Let me make a concrete comparison, and I have assembled the necessary data from the committee report on this bill. Mr. Tighe Woods is the Housing Expediter. He has the responsibility of administering the Rent Control Act. J. Edgar Hoover is the Director of the FBI—the organization that so ably protected our domestic security during the last war. Mr. Woods' present salary is \$12,000 per year, while Mr. Hoover's is \$14,000 annually. Under the proposed bill Mr. Woods will receive a salary of \$15,000, an annual increase of \$3,000, while the head of the FBI will receive only a \$1,000 boost, making his salary the same as Mr. Woods'.

According to the committee report Mr. Woods, as Housing Expediter, will supervise 4,836 employees and manage a budget of \$22,972,000 during fiscal year 1949. In contrast, J. Edgar Hoover, as head of the Federal Bureau of Investigation, in the same period supervises 9,664 employees and manages a department budget of \$47,461,800. This comparison, using figures from the committee reports, shows that Mr. Hoover has approximately twice as many employees in his department and handles over twice as much money during a 12-month period, yet the committee recommends the same salary for both department heads. It does not make sense and if the committee has been as illogical in other specific cases I believe the bill should be returned to the committee for further study. In passing, I might add that the duties and responsibilities of Mr. Hoover, leaving aside the number of employees and expenditures, seem to be infinitely more important than those performed by the Housing Expediter.

Let me make another comparison. The Director of the Central Intelligence Agency holds a position in many ways comparable to the head of the Federal Bureau of Investigation. Under the proposed bill the present salary of the Director of the Central Intelligence Agency is \$17,500 annually, an increase of \$3,500 from the present salary. Since Mr. Hoover's work is equally important I firmly believe his salary should be identical. This amendment will accomplish that result.

The question of domestic security is of vital importance. We need the best personnel obtainable to insure the protection of our citizens. Mr. Hoover's record for the past 25 years is unassailable. The monetary reward proposed by my amendment, after long years of faithful and devoted service, is small compensation for his invaluable contribution.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. CORBETT. Mr. Chairman, I wish to call attention to the Rees substitute amendment. This amendment provides for liberal salary increases; it provides for increasing the salaries of Cabinet members to \$25,000; it provides generous increases for all of the 244 individuals covered by this bill.

Over all, Mr. Chairman, the Rees substitute would provide \$700,000 a year in annual increases. We should therefore divorce from our minds the thought that this is a bill which does not increase salaries, for there are \$700,000 worth of increases in the Rees substitute bill. As was pointed out during general debate, it is always easy to increase salaries; it is almost impossible to decrease them. As the gentleman from Florida, who preceded me, stated, this country is demanding economy from this Congress. In the days just ahead we are going to have an increasing avalanche of mail and public insistence that we cut the cost of Government. But here it is proposed that we grant increases up to 100 percent, according to the original bill. I say now, as I did before, there is no sharp controversy as to whether or not there should be increases but there is controversy as to what is a reasonable increase.

Mr. Chairman, I am going to urge the committee to support the Rees substitute, support it as a generous salary increase for executive officials, support it as a step toward improving the efficiency of the Government. And because the Rees substitute is justified is no reason why you should continue these increases up and up. You can accept the argument that a salary increase is in order but that does not mean that you have to jump some individuals \$10,000 a year.

With the economic condition of the country as it is today, it would be, in my opinion, a very bad thing for us individually to send word out to the country, to the growing ranks of unemployed, that we upped the salaries of Government officials as much as \$10,000 a year.

Mr. Chairman, I hope the Rees amendment will be accepted. In years to come if we find it necessary and desirable we can provide further increases.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the substitute amendment offered by the gentleman from Kansas [Mr. REES], and all amendments thereto, close in 20 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I wonder if the gentleman will not extend that. There are a great

many Members on their feet. The Rees substitute is the most orderly amendment that has been offered.

Mr. MURRAY of Tennessee. This will not close time on amendments to the committee bill itself, just on the substitute.

Mr. CASE of South Dakota. I recognize that is true, but the gentleman from Kansas has worked out an orderly and systematic approach to amending the bill. Mr. Chairman, I object.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am sure that every good American in and out of Congress recognizes and appreciates the great job that J. Edgar Hoover has done in peacetime and in wartime, and every day and many nights. For that reason I certainly feel, as do many Members of this House, and I am sure I bespeak the feelings of the overwhelming majority of the American people, that the salary of J. Edgar Hoover should be commensurate with the great responsibility and the great risk and the wonderful job he has done. I would like to ask the gentleman from Kansas if he will not accept an amendment to his substitute providing that the Chief of the Federal Bureau of Investigation be raised to \$17,500.

Mr. REES. Mr. Chairman, I will say to the gentleman that if he will offer an amendment increasing the salary of the Chief of the Federal Bureau of Investigation to \$17,500, there will be no objection to it. It was not included in this substitute because the original bill provided only \$15,000, and I was trying to keep in line with that bill. So, if the gentleman will offer such an amendment I will accept it, so far as being the author of the substitute is concerned.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent that the amendment which I have just suggested be considered as a part of the Rees substitute and be adopted.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Mr. Chairman, was not the amendment offered by the gentleman from Florida [Mr. ROGERS], which, in effect, increased the salary of the FBI director to \$17,500 an amendment to the original committee amendment, or was it an amendment to the substitute offered by the gentleman from Kansas?

The CHAIRMAN. The gentleman from Florida offered his amendment as an amendment to the committee amendment.

Mr. MURRAY of Tennessee. And that has been adopted and is a part of the committee amendment?

The CHAIRMAN. The amendment has not been voted upon. No amendment has been voted upon. There is pending

before the committee the committee amendment and a substitute, and the amendment offered by the gentleman from Florida. Does the gentleman from Iowa desire to offer his amendment now?

Mr. JENSEN. I offer this amendment to the Rees substitute to increase the salary of the Chief of the Federal Bureau of Investigation to \$17,500.

The CHAIRMAN. Will the gentleman reduce his amendment to writing and send it to the desk?

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would it be in order to propound a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the class receiving \$17,500, in accord with both of the amendments that have been proposed?

The CHAIRMAN. The gentleman may submit such a unanimous-consent request, but the Chair would like to suggest that in the opinion of the Chair it would be better parliamentary procedure to submit the amendment in writing.

Mr. CASE of South Dakota. This was simply a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the \$17,500 category.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. MURRAY of Tennessee. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of the Rees substitute amendment.

Mr. Chairman, it has been well said on the floor of this House today that in the Committee on Post Office and Civil Service there is little partisanship, and that is true. That is a good thing.

There is also a spirit of compromise. I feel that this amendment is offered in a spirit of compromise. Some of us are alarmed at the trend toward greater expense at this time in our country's finances. I am one of them. I have grave misgivings as to how this kind of legislation is going to strike many of the people back home who have been waiting impatiently and longingly for some economy.

This amendment offered by the gentleman from Kansas does cut the amount down a little bit. Of course, the total amount is negligible when we are thinking in terms of billions, but we have to make a start somewhere. Personally I would prefer not to see the Under Secretaries or the Assistant Secretaries paid more than the Members of Congress of the United States. However, if this is the best compromise that can be made, and I am sure the distinguished gentleman from Kansas has explored every possibility, I hope the House will vote for this substitute amendment.



The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I shall vote for the Rees amendment. I think the amendments increasing the Director of the FBI, offered by the gentleman from Florida and the gentleman from Iowa, respectively, are good, but I rise to ask a question of my colleague, the gentleman from California [Mr. MILLER], or of any member of the committee. Rather than have my time run out before the question is answered, I want to say that upon this question I base my reason for offering a motion to recommit, if the committee itself does not offer one. The gentleman who spoke for the committee said this had been carefully considered, and that the gradations between salaries in the bill had been carefully considered. I want to find out, and I think the House is entitled to know, Mr. Chairman, why an Under Secretary of, shall we say, the Department of Commerce, is entitled to more money than the Administrator of the Veterans' Administration, or is entitled to more than the head of the Reconstruction Finance Corporation, which is one of the largest financial institutions in the world; or is entitled to more money than the chairman of the Atomic Energy Commission, who is recognized as holding one of the most difficult, strenuous, and responsible jobs in the Federal Government. What is there about the under secretaryship of the Department of Commerce, or the Department of Agriculture, or the Department of Labor, or any other department, which is worth \$4,000 a year more than the chairmanship of the Reconstruction Finance Corporation?

Since the committee is on record as saying that was carefully considered, I feel we should have the answer. Again I say, Mr. Chairman, this is the reason, if the committee does not offer a motion to recommit, I shall offer a motion to recommit in order to reconcile these salaries.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I desire to speak briefly on the pending measure, H. R. 1689, increasing rates of compensation of the heads and assistant heads of executive departments and independent agencies.

In the committee report it is stated that "failure to take action on this measure on the grounds that the annual appropriation of a little more than a million dollars is too exorbitant will be 'penny-wise and pound-foolish.'" I endorse this statement wholeheartedly.

As a member of the Armed Services Committee, I have had the opportunity to observe the varied activities of the largest component in our Government, which itself is the largest single enterprise in the world, the National Military Establishment. The National Military Establishment is presently the employer of over 2,500,000 military and civilian employees and will have an annual expenditure estimated at \$13,890,000,000 for the current fiscal year. The Navy, by

itself, represents capital investments, expenditures, personnel, plants, and operations almost three times the size of the United States Steel Corp. To run such a huge establishment we now pay 20 top officials a total of \$230,000 a year—an average salary of \$11,500. Compared to salaries paid to officials in even the smaller corporations in private business, this is a ridiculously low average.

If we really want to effect economies in the operation of the Government, it is apparent that one of the best opportunities would be in the Military Establishment. Such economy, however, is not going to come about automatically—it is going to have to be done by hard work on the part of competent people. Until compensation commensurate with responsibilities involved can be offered, it is most difficult to obtain and retain competent officials who can put into effect the sort of constructive recommendations for economy made by the Commission on Organization of the Executive Branch of the Government. If we are going to expect real economies now being discussed incident to the consideration of the measure to amend the National Security Act of 1947, we must provide the Military Establishment the means for doing a top-flight management job.

Due to my familiarity with the Military Establishment, I have emphasized this phase of the problem, but I am sure the same is true in all Government agencies. Again I want to stress that this measure is really an economy measure that should return many, many times its cost in increased efficiency and economy through intelligent, competent management of our complex Government structure.

I support this measure as a means whereby the President will have better opportunities to secure the competent officials required to run the many important functions of our Government.

In these days of cold wars, we are all very much aware of the work being done by the National Military Establishment in supporting the domestic and foreign policies of our Government. The Berlin airlift is probably the best known example of this support.

Let us reflect a moment on the situation with which the President is now faced in securing competent officials to run this establishment—officials who every day must make decisions and take actions that will directly affect the lives of those present and of our children and of our children's children for years and years to come. Officials on whose judgment we must depend to a large extent to keep us out of war by providing the means whereby there can be no doubt in the minds of possible aggressor nations that we have the ability to defend ourselves.

The Secretary of Defense who is the person primarily responsible for all matters relating to the security of this Nation, on whose shoulders falls the tremendous burden of operating the Military Establishment of over 2,500,000 military and civilian employees, whose every action and every decision might well mean the difference between life and death for our sons and grandsons—

yes, and for us, too, since in any future war there will be no lines of battle and the civilian population will be in the battle area, too—for this tremendously important position we pay \$15,000 a year.

The Secretaries of the Army, the Navy, and the Air Force with responsibility for running establishments many times larger than our biggest corporations also receive only \$15,000 a year. The man responsible for managing the financial affairs—involving approximately \$14,000,000,000 for the current year—of the National Military Establishment receives only \$10,000 a year. Other officials with similar responsibilities receive similar small salaries.

I, for one, say that we should pass this measure without hesitation. If the additional expenditure of a little over a million dollars a year will assist in any way in assuring that the best possible men are obtained in these positions of responsibility so fateful for all of us, we would indeed be derelict in our duty if we denied this possibility.

Mr. Chairman, I ask unanimous consent that the balance of my time may be granted to the gentleman from California [Mr. HOLIFIELD].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, about 2 years ago we formed what is known as the Hoover Commission. They appointed a Personnel Policy Committee to consider this question of governmental salaries in the executive branches. Among the people who were on that Personnel Committee were men like Mr. John Stevenson, president of the Penn Mutual Life Insurance Co.; Mr. Lawrence Apley, former vice president of Montgomery Ward; Senator Harry Byrd, of Virginia; Franklin D'Olier, former president of the Prudential Life Insurance Co. of America; Robert Ramspeck, a former Member of Congress, and chairman of the House Committee on Civil Service; A. W. Robertson, chairman of the board of Western Electric Co.; and various other famous men from industry, science, and the professions.

They made a complete tasks report study of the salaries and personnel conditions of the men in key positions in the executive branch. Now, what did they say, among other things, along this line, and it is in support of the committee bill that I am speaking.

They said:

The failure to lift the salary ceiling for top Federal positions has created serious inequities and forced many career officials to leave the service.

They said further:

The gravity of this problem is demonstrated by the fact that an income of \$10,000 is the equivalent of less than \$5,200 in 1939, after allowing for increased income tax. The result has been made repeatedly clear by the stream of resignations from top positions in the past 3 years and by the problem of attracting well-qualified individuals into positions in the top-pay brackets. One study of the earnings increase secured by 170 individuals who left the Government in the

year 1945 revealed the average increase obtained over their Government pay was 92 percent.

President Truman gave special attention to this problem in his address at Princeton in June 1947 when he said, and I quote:

Salary limitations prevent the Government, in many instances, from securing the kind of executives required to maintain its vital activities.

I want to point out that the business of the Government of the United States is the biggest business in the world. We are entitled to have men at the head of these different departments handling over 2,000,000 personnel and millions and millions of dollars who know what it is all about and who are men of caliber to do the job and do it well. No one contends that the Government can pay the same rate as industry pays, but at least we should establish such salaries so that we can retain good men in the jobs. The record shows that they are leaving at the rate of 170 key positions in 1 year.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RAYBURN. Does it not seem to the gentleman from California, as a legislator, that the orderly way to proceed here is to take up the committee amendment and perfect that committee amendment after voting down the substitute?

Few Members have had an opportunity to examine the substitute. They do not know whether it is fair or not. If we vote down the substitute, then anyone who wishes to offer an amendment to the committee bill may offer it, and we can proceed, as it appears to me, in a much more orderly fashion and do the thing that ought to be done. The President of the United States has never vetoed any increase in salary for Members of Congress, any increase in clerk hire, or anything of the kind. Do you not think we are doing little enough for him when some of us know the distress he is in, trying to keep the good men that he has to carry on this reorganization work in the Government departments? Do you not think we should give him practically what he asks, in order that he can conduct his office in an orderly fashion and do the job that we expect him to do?

Mr. HOLIFIELD. I certainly agree with the honorable Speaker in everything he has had to say. I hope this committee will vote down the Rees amendment and then we can proceed to make such perfections in the committee bill as are necessary.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the frankest statement about this bill that I have heard made today was the statement made by the gentleman from New York [Mr. MULLEN]. The gentleman from New York called attention to the fact that there is a bill pending before this same committee to

give another increase in salary to Members of Congress. Then the gentleman said:

The pending bill is a step in the right direction.

And in that connection said that consideration had been promised for the pay-rise bill for Members of Congress.

My people may be a little different than people in other parts of the country. I do not know. But if there is one theme that is running through the correspondence I am getting today it is that we must stop the spiraling cost of Government. The actual dollars in this bill are not large, but if this bill is to be the forerunner of another salary increase for Members of Congress, then your hands are going to be stayed against voting for other increases here and there all along the line. There is nothing, in my judgment, that would cause greater revulsion against the Congress as an institution today, and against individual Members thereof, than to pass another pay increase for the Members of Congress.

The Rees substitute is an orderly substitute for the pending bill. It recognizes the need for a modern pay schedule in the executive branch and in the independent agencies of the Government, but it does not make the excessive jumps proposed in the committee bill. Most of the \$10,000 people step up to \$12,500. Most of those who receive eleven or twelve thousand step up to fifteen thousand. Those at fifteen or sixteen thousand go up to seventeen thousand five hundred or eighteen thousand. But the Rees substitute does not make the 50-, 60-, and 80-percent increases which characterize the committee's proposals.

The gentleman from Kansas has offered an orderly, systematic substitute, and I hope you will support it.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I have been looking over the figures as quickly as I could with reference to the reduction of certain salaries, as covered by the Rees substitute. If I read the figures correctly, the Under Secretary of the Department of Labor, under the Rees substitute, would receive an increase from \$10,330 to \$17,500. The Under Secretary of the Department of Commerce would receive an increase from \$10,000 to \$17,500, and so on. These are large increases, but not nearly so large as the committee bill provides.

We will set a bad precedent if we pass this increase salary bill. If some increase is necessary it would seem to me that we are making substantial increases if we adopt the Rees amendment. I find that everyone throughout the country is asking the Congress to economize; the Congress is saying they cannot economize, but they are going to try to persuade or insist upon, or compel the President to cut the cost of government; and the President, very justly, comes back and says that that is largely the responsibility of the Congress. This is a small amount to

add to the cost of government, but it sets a precedent that will start leaks in the dike against the pressure for higher salaries all along the line. It would seem to me that we ought to curb it at least to the extent of holding it down to the Rees amendment.

The facts are no increases of salaries should be considered at this time. We cannot reduce the cost of government if we continue to raise salaries. It is unfair to the overburdened taxpayers who will have to pay the bill. The financial condition of the Nation and the general business conditions of the country do not justify these enormous raises in salaries to those in government who already enjoy the highest salaries in government. We should be reducing the cost of government, rather than increasing as this bill will do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, I listened with much interest to my distinguished Chairman a few minutes ago as he discussed the Rees amendment and compared it with the bill. I know that he did not intend to, but I am afraid he left the impression that the Rees amendment is a salary-cutting amendment. It does not cut the salary of a single one of these executives; it increases substantially the salaries of every one of them.

Let us look at this thing just a minute and see which one provides the reasonable increase in salary. For instance, the Assistant Comptroller General presently drawing \$10,330 a year is given \$18,000 under the Committee bill, an increase of approximately 80 percent. Under the Rees substitute he is given an increase of approximately \$5,000, bringing his salary up to \$15,000, or an increase of approximately 50 percent. Is a 50-percent increase a reasonable increase? In my opinion that is the way to increase salaries, increase them reasonably.

There is one case of a man presently drawing \$9,700 who is increased by the bill to \$15,000; the Rees amendment cuts him back to \$11,000. That gives him a nice increase, from \$9,700 to \$11,000, which would appear to me to be more reasonable than to give him an increase to \$15,000.

Frankly, I do not see anything to the recommendations of the committee, and I so expressed myself in the committee, except to call the bill as presented a bureaucratic joyride at the taxpayers' expense. I hope the Rees amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, the gentleman from Mississippi and the gentleman from Kansas argue that you can help a man drowning some 20 feet offshore more by throwing him a rope 15 feet long rather than by throwing one 10 feet long. I should like to make one or two observations: First of all, that there is no increase proposed in this bill



which is too high; there may be some salaries proposed which are too low, some which should be brought up.

We propose to pay the members of the Cabinet \$25,000 a year. General Motors Corp. in 1946 had 10 vice presidents—one might call it the cabinet of General Motors—and, according to statistics available to the Legislative Reference Service, one vice president, the highest paid, received \$113,775, and the lowest of the 10 vice presidents of General Motors received \$73,100. The "cabinet" of the Montgomery Ward Corp. consisted of nine members. The highest paid received \$101,700 and the lowest about \$35,000 per year. We propose to pay \$25,000 to members of the Cabinet of the United States. The comptroller of the Standard Oil Co. received \$40,000 a year. We propose to pay the Comptroller General of the United States of America \$20,000. The president of the General Motors Acceptance Corp., the credit department of General Motors, received \$71,500 a year. We propose to pay the Chairman of the Reconstruction Finance Corporation \$16,000 a year. Is that too much? The general counsel of General Motors received \$101,000, according to this report. The Attorney General, according to our proposal, would get \$25,000 a year.

I would like to remind some of the men who have spoken here and who are horrified at an increase of \$5,000 to \$10,000 per year in salary that the effect of the income-tax reduction which they voted last year increased many take-home salaries \$40,000 to \$50,000, and more. This was the salary increase engineered by the gentleman from Minnesota, whose memory is perpetuated in his absence by the picture on the wall of this Chamber.

I ask the membership to vote down the Rees amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Is the vote on an amendment to the committee amendment? I thought we were considering the substitute and amendments thereto.

The CHAIRMAN. The Chair will state the parliamentary situation. There is pending before the Committee an amendment by the committee. There is pending a substitute offered by the gentleman from Kansas thereto. There is also pending an amendment to the committee amendment offered by the gentleman from Florida.

The parliamentary rules require that amendments to the committee amendment be voted upon first, then amendments to the substitute be voted upon. After both are perfected, then the substitute amendment will be voted upon.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The parliamentary inquiry is whether or not the amendment of the gentleman from Florida is the one that relates to J. Edgar Hoover?

The CHAIRMAN. The Chair so understands.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the Rogers amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the Rogers amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN.

On page 2, line 5, of the Rees substitute, before the period insert: "and the compensation of the Director of the Federal Bureau of Investigation shall be \$17,500."

On page 3, line 3, strike out "the Director of the Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN] to the substitute amendment.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 92, noes 89.

So, the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 86, noes 106.

Mr. REES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported that there were—ayes 109, noes 152.

So the amendment was rejected.

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the committee amendment: On page 10, line 22, after "Naturalization", insert "Administrator of Civil Aeronautics."

Mr. HINSHAW. Mr. Chairman, in searching this bill to find whether or not all of the Presidential appointees were included, I could not find anywhere inclusion of the Administrator of Civil Aeronautics. This officer is an appointee of the President of the United States subject to Senate confirmation and operates a very important agency of the Government now under the direction of the Secretary of Commerce pursuant to a reorganization plan of some years ago, I believe 1940.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MURRAY of Tennessee. The committee has no objection to the

amendment offered by the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I thank the gentleman, and I am glad that he will not oppose the amendment. The Civil Aeronautics Administrator has under his direction more than 17,000 persons and an annual budget of about \$100,000,000. The Administrator is surely entitled to receive a salary of at least \$15,000 per year.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT to the committee amendment: On line 25, page 10, after the words "Commissioner of Customs" insert "Commissioner of Narcotics."

Mr. VAN ZANDT. Mr. Chairman, the Commissioner of Narcotics heads the Bureau of Narcotics of the Treasury Department and is responsible for the administration and enforcement of the Federal narcotic laws. He is also the United States representative, without compensation, to the Commission on Narcotic Drugs of the United Nations and actively participates in the drafting and implementation of the various conventions limiting the international traffic in narcotic drugs to medical and scientific uses.

Under existing law and pursuant to the treaty obligations he closely supervises the importation, exportation, and domestic distribution of narcotic drugs by over 200,000 doctors, pharmacists, manufacturers and wholesale dealers, to the end that these dangerous drugs shall be available only for medical and scientific needs and not for the perpetuation of drug addiction.

The Bureau of Narcotics is recognized as one of the outstanding law enforcement agencies of the Government, as is demonstrated by the fact that while it has in its employ only 2 percent of the Federal law enforcement agents, it is responsible for the conviction and confinement of 9 percent of the present Federal prison population.

The position requires unique qualifications in view of the great measure of responsibility involved in the problems of vigorous enforcement of the narcotic laws and discharge of the international obligations under the several narcotic conventions. The salary of the position should be commensurate with this large responsibility.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. CANFIELD. As a member of the Subcommittee on Appropriations for the Treasury Department and one who has listened to Dr. Anslinger for the last 4 years, I hope the gentleman's amendment is adopted. He is not only one of America's great administrators but one of the finest administrators in the world.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. MURRAY of Tennessee. The committee will not oppose the gentleman's amendment. We have no objection to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. GROSS. I am glad the gentleman told us what the salary is. We did not know about the other one when we voted on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was agreed to.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. SCRIVNER and Mr. COOLEY objected.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the committee amendment and all amendments thereto close in 10 minutes.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry. Does that mean all debate on the entire bill?

The CHAIRMAN. The Chair understood the gentleman from Tennessee to move that all debate close in 10 minutes on the committee amendment and all amendments thereto.

Mr. TACKETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TACKETT. How many amendments are there on the Clerk's desk now?

The CHAIRMAN. The Chair is advised there are four amendments on the Clerk's desk.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent to modify my motion to make the debate close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. COOLEY. Mr. Chairman, reserving the right to object, I have an amendment which I desire to offer. Is it in order to offer that amendment at the present time?

The CHAIRMAN. There is pending before the Committee a unanimous-consent request of the gentleman from Tennessee to revise his motion; that all debate on the amendment and all amendments thereto close in 20 minutes. Is there objection?

Mr. COOLEY. Mr. Chairman, I have reserved the right to object to propound a parliamentary inquiry as to whether or not it is in order for me to offer an amendment on page 2 at this time.

The CHAIRMAN. The motion of the gentleman from Tennessee [Mr. MURRAY] must be disposed of first, and then it will be in order for the gentleman from North Carolina to offer his amendment.

Without objection, the request of the gentleman from Tennessee [Mr. MURRAY] to amend his motion will be granted.

There was no objection.

The CHAIRMAN. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY] that all debate on the committee amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LECOMPTE. How much time does that allow each one, Mr. Chairman?

The CHAIRMAN. Approximately one and one-third minutes.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Chairman, I would like to speak briefly in behalf of the measure, H. R. 1689, which is now before the House for consideration. This measure is intended to raise the compensation of the heads and assistant heads of the executive departments and independent agencies of the Federal Government to levels which, in the opinion of the committee, are in keeping with the duties and responsibilities borne by these officials.

I believe that the House, after considering this measure, will agree that the proposed salary increases are fully justified, in view of the grave responsible duties borne by the executive heads of the departments and agencies involved. In many cases, it will be the first major adjustment of salaries for these key officials since 1925, for, as the committee's report states, there has been no congressional revision of the salaries of most of these executive heads since that time, although recognition has been granted by the Congress to the heads of new major Federal agencies created since World War II.

The most obvious cases are those of the department heads and of the Secretary of Defense. It has been recommended that these key officials be paid at a rate of \$25,000 per annum, and in view of the heavy workload of responsibility devolving upon these men, I feel that the committee's recommendation is fully justified. Many of the Federal departments are equal to or far larger than the largest comparable private business in this country, yet these Cabinet officers, for example, draw far less than the vice president of the smaller private corporations. The Secretary of Defense heads an organization employing a combined civilian and military staff of over 2,500,000. The Postmaster General heads a huge postal communications organization employing over 500,000 people, while the Director of Aeronautical Research of the National Advisory Committee for Aeronautics has a larger and more complex research assignment than his alter ego in any private aircraft firm in the Nation. The departments and agencies which they head often carry on large and complex businesses, employ great numbers of people, and are responsible for the proper annual

expenditure of extremely large sums. It is obvious that such positions should be filled by highly competent men, yet, during the past years, a considerable number of these experienced and competent executives have been forced to leave these key Federal positions because of the inadequate salary paid. These salaries, which were fixed years ago, are unrealistic in terms of the present-day responsibilities of these key executive posts.

I feel that it is absolutely essential to provide incentives, in the form of suitable annual compensation, in order not only to retain in the Federal service its remaining experienced and competent administrators, but also to attract able and well-qualified personnel into the Government to fill these key posts. I believe that a policy of staffing these top positions with able administrators will return the additional cost—estimated at approximately \$1,500,000 per annum—to the Nation many times over each year through greater efficiency and improved operation of the Federal agencies affected. Without competent persons in these key posts, we can expect only mediocre performance by the departments and agencies so staffed.

The committee's recommendations on this measure are based not only on the principles of good management and efficient administration, but also on the fact that the responsibilities of the occupants of these posts have increased greatly in recent years and have placed a very heavy burden on such officials. We had a recent and tragic illustration of the pressures and strains to which key officials can be subjected in the performance of their duties.

It is my belief that only the ablest and most competent personnel should be asked to carry on, as heads and assistant heads of executive departments and agencies, the administration of the affairs of our country. I feel that you will agree with me that an adequate salary will provide one of the incentives which will attract such competent officials into the Federal service and that it is our responsibility to see that this is done.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 11, line 2 of the Committee amendment after the words "Farmers' Home Administration" insert the following: "Manager of the Federal Crop Insurance Corporation."

The CHAIRMAN. The gentleman from North Carolina is recognized in support of his amendment.

Mr. COOLEY. Mr. Chairman, I hope the committee will accept this amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.



The Clerk read as follows:

Amendment offered by Mr. SCRIVNER to the committee amendment: On page 11, line 18, strike out all of section 6.

Mr. SCRIVNER. Mr. Chairman, I hope the committee concurs in this amendment to strike out section 6. It does not add any particular person to the pay roll, but it may save many dollars.

This section gives arbitrary power to the President to increase the salary of the chairman or head of a board or commission to \$18,000 per annum if he has important duties or responsibilities not imposed upon the other members of the board. There is not a word concerning this section in the committee hearings, nor is it discussed anywhere in the report. You are going to wake up some morning shortly after this bill is passed and find unknown numbers of these people increased to \$18,000 a year. Look at this chart. It shows that there are 1,819 boards, bureaus, and agencies running this Government. Each has a chairman, but all may not be affected by this section.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I have only a minute and a half, but I yield to the chairman, of course.

Mr. MURRAY of Tennessee. The language states, "Not more than \$18,000."

Mr. SCRIVNER. Yes.

Mr. MURRAY of Tennessee. And it is also required that such chairmen be given additional important duties.

Mr. SCRIVNER. The gentleman knows these boards and commissions. Every one of them are going to give the chairman a little important work to do whatever "important work" may be; the gentleman knows, furthermore, that immediately that individual will be entitled to have his pay upped to \$18,000 a year.

The gentleman may say that this is not a pay increase. Maybe it is not in the opinion of the members of the committee, but to the taxpayers who will have to pay the bill it is a pay increase and you cannot get away from it. If the folks at home were here they would not vote for this bill. As their representative I will not support it. All it will do is freeze the present jobholders tighter in their chairs.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. SCRIVNER) there were—ayes 93, noes 116.

Mr. SCRIVNER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SCRIVNER and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported there were—ayes 95, noes 115.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT:

Page 11, line 17, strike out the period, substitute a semicolon, and insert the following language: "and effective with the commencement of the Eighty-second session of Congress the compensation of Senators, Representatives in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico shall be at the rate of \$20,000 per annum each."

Strike out section 8 and insert the following:

"Sec. 8. Except as otherwise provided herein this act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the amendment is not germane in that this is a bill to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. This amendment relates to the legislative branch of the Government and consequently is not germane to a bill applying to executive departments and independent agencies.

Mr. MONRONEY. Mr. Chairman, I make the further point of order that this is a bill reported by the Committee on Post Office and Civil Service which does not have jurisdiction over the salaries of Members of Congress.

The CHAIRMAN. Does the gentleman from Arkansas desire to be heard on the point of order?

Mr. TACKETT. Yes, Mr. Chairman. I seek to amend section 5 (c) which reads as follows:

The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

My amendment is germane to the very subject matter that I seek to amend. The legislative branch of Government is covered by this very bill, and I seek to amend that portion pertaining to the legislative branch of our Government. The Architect of the Capitol is also covered by this bill.

The CHAIRMAN. The Chair is ready to rule. This bill seeks to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. Under the Constitution there are three distinct branches of government. The legislative branch cannot be classed as either an executive department or an independent agency. Therefore, the Chair sustains the point of order made by the gentleman from South Dakota.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 8, line 13, strike out "\$17,500" and insert "\$15,000"; and on page 11, line 17, strike out "\$12,000" and insert "\$10,000".

Mr. MURRAY of Tennessee. Mr. Chairman, I have no objection to the amendments. I think they are all right. The committee accepts them.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. HORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HORAN: On page 13, line 3, strike out all of section 8 and insert a new section as follows:

"Sec. 8. This act shall take effect July 1, 1950."

Mr. HORAN. Mr. Chairman, I think we have had a sample this afternoon of how the floodgates can be opened. We are setting a pattern that is going to be difficult for the responsible Representatives of the people of this Nation of ours to control. My amendment simply puts off until the beginning of the next fiscal year the date of enactment of what you are working on this afternoon. I think the people of America are looking for some results from the Hoover Commission's report, but this bill you are working on today will put fire into the bureaucracy here and make it very, very difficult to reduce the cost of Government at a time when we are not on very safe ground.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appeal to the Members to stand by the committee and let this act take effect on the first day of the first pay period which begins after the date of enactment of this act. The amendment offered by the gentleman from Washington would defer the time of taking effect of this bill for a year, until July 1, 1950. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. HORAN].

The question was taken; and on a division (demanded by Mr. HORAN) there were—ayes 94, noes 141.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, there are provisions in this bill which doubtless seem to every person here to be unjustified or inequitable. Certainly there are a good many that are not in accord with the way I would rate the relative importance of various positions. However, we cannot dispute that present salary rates are obsolete, and have been so for a long time. It seems to me the passage of this bill by the House even with its admitted inequities and defects and sending it to the other body where adjustments can be made should produce benefits to our governmental service that will far outweigh its relatively small cost.

Therefore, I intend to support the bill.

Take as an example, the Department of State, to illustrate the urgent necessity for revision of these salaries. Since World War II, the United States has assumed the leading role among the nations of the world. Other nations look to us for leadership in practically every field of endeavor. Notwithstanding this fact, however, our Secretary of State today receives the same salary as he did

23 years ago. Correspondingly, his principal assistants, namely, the Under Secretary and Assistant Secretaries, are still receiving salaries very little above what they received then. They are subject to the Civil Service Classification Act and, hence, are restricted to salary ranges applicable to the Government as a whole. In many instances, this brings about situations where salaries of Assistant Secretaries are no higher than those of their subordinates.

The fact that the present salary rates of top officials are obsolete is especially emphasized by the fact that legislation enacted in recent years creating newly established Government organizations provides higher salaries for the heads of those agencies than are received by the old departments and agencies. For example, both the Administrator and Deputy Administrator of the Economic Cooperation Administration are paid more than the Secretary of State. Ten individuals in the National Military Establishment, each of whom is doing important work, are authorized to receive a salary equivalent to that of the Secretary of National Defense and substantially more than the Administrator of Veterans' Affairs. The salary scale for the Federal Government is completely disproportionate to the salaries paid by a number of State and municipal governments. In the State of New York, for example, the attorney general and State auditor receive \$20,000 annually. Similarly, in the field of municipal government the mayors of 12 cities of over 500,000 population receive between \$10,000 and \$25,000, annually, with a median salary of \$18,000. In New York City alone eight city officials, including the mayor, receive \$20,000 or more annually in salary. Six city managers of cities between 250,000 and 500,000 population receive salaries averaging \$19,000.

One constantly hears the criticism, and too often it is justified, that many Government officials are second-rate men, or even worse. That really is an argument for the bill, not against it. How many first-rate men can we expect to get unless we pay them something more adequate than the levels of 10 to 25 years ago?

The additional cost of this legislation, if enacted, would be only \$1,237,173 annually. I do not know where else in our expenditures so little, relatively, can be expected to bring as much to our Government in value received.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LeCOMPTE].

Mr. LeCOMPTE. Mr. Chairman, about a year ago the Congress increased the salaries of all Government employees in the lower brackets by \$330 per year, about a dollar a day. Today, in this bill, it is proposed to increase the salaries of the folks in the higher brackets of from 25 percent to 100 percent. I feel very deeply that high salaries is not the thing that attracts able men to public service. The opportunity to serve one's country and serve the people well is the thing that makes public service attractive to able men and women. I believe sincerely that the passage of this bill is going to let us

in for a great deal of pressure to increase the salaries of all other employees of the Federal Government, and perhaps rightly so. We are not going to find the country very happy over this salary increase for the top-bracket folks at a time when the income of the average taxpayer is shrinking and receipts of the Government declining each day.

As to the suggestion for an increase in salaries of Congressmen and Senators, I am unalterably opposed to this suggested amendment, as I was when the reorganization bill—Public Law 601, Seventy-ninth Congress—was adopted, although there are many good provisions in this law. We were unable to obtain a yeas-and-nays vote, but the RECORD shows that I stood up and was recognized by the Speaker and asked for the yeas and nays.

The bill we have today starts at the wrong place. It raises the higher salaries and in the end will cost the taxpayers a vast sum of money every year. I oppose the measure.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio: On page 10, line 1, after the word "Commission", strike out "members of the Board of Commissioners of the District of Columbia."

Mr. HAYS of Ohio. Mr. Chairman, this amendment is almost self-explanatory. It simply leaves the salaries of the members of the Board of Commissioners of the District of Columbia where they are today, at \$10,000.

I would like to read you a few of the salaries of members of councils or commissions of various cities, most of them larger than Washington:

Detroit, \$5,000.  
Philadelphia, \$7,500.  
Cleveland, \$4,000.  
Pittsburgh, \$8,000.  
Cincinnati, \$5,000.

Mr. Chairman, much has been made of the fact that most of the people coming under this bill have to maintain two homes and have to come from somewhere else to live in Washington. The members of the Board of Commissioners are residents of Washington. They do not run for office, and are appointed for a 4-year term. I submit to you in view of the salaries paid in other large cities, that \$10,000 is ample for Washington.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. MURRAY of Tennessee) there were—ayes 132, noes 48.

So the amendment was agreed to.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania [Mr. WALTER] rise?

Mr. WALTER. Mr. Chairman, I ask unanimous consent to amend line 14, on page 11, referring to the amendment that was just adopted, by striking out \$15,000 and inserting \$10,000, and to vacate the proceedings by which that amendment was adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, when the gentleman from Pennsylvania referred to the amendment adopted just a moment ago, was he referring to the amendment which struck out the members of the Board of the District of Columbia or the prior amendment offered by the gentleman from Pennsylvania?

Mr. WALTER. The line was not correctly stated in the amendment which I offered.

Mr. CASE of South Dakota. In other words, the gentleman is leaving the item for the legislative counsel as it appears in the bill and making the change in the Assistant Director for the Administrative Office of the United States Courts?

Mr. WALTER. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I take this time to express what I think must be felt by a great many Members with respect to this bill. It looks like the bill will be passed. The reason we are doing what we are doing is because we want to keep or get the best public officials to deal with the problems of depression or prosperity, and peace or war. I hope we will cease to see so many of the items in the newspapers which we have been seeing, that a particular public servant feels he must resign in order to rehabilitate his personal fortune, or that another feels he cannot accept a Government position offered because he cannot afford it financially. I hope the President will feel free to call, if necessary, the best men for these jobs, and that no American, in view of the great issues our Nation faces domestically and in the world, and under the new pay scale, will feel that he has a right to reject any such public job for which he is fitted when it is offered to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, in a few weeks we are going to be called upon to answer to our constituents as to what we have done about economy. After you have voted for this bill, by which you are raising the salary of the Assistant Federal Security Administrator from \$10,000 to \$17,500, you will have to explain what you have done about economy. He is the man who is trying to inflict socialized medicine upon this country. He has written a book about it. He is doing all he can to foist socialized medicine upon the American people. By raising his salary you are not only condoning his activities, you are endorsing them. If you favor that kind of economy, go back and explain it to your people. I certainly cannot.



You are shedding crocodile tears for these fifteen- and twenty-thousand-dollar-a-year men and at the same time doing nothing for the worker, who is presently covered by a minimum-wage bill which provides for only 40 cents an hour. Do you think \$16 a week is enough for a workingman? Do not you think it is high time some consideration be given to the man at the bottom of the economic scale? My minimum-wage bill will tie the pay of the worker to the cost-of-living index, so that he will have a constant steady income of the same value, in spite of depressions or inflations.

Until something is done for the man at the bottom of the heap, I cannot conscientiously vote for the man at the top. I oppose this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, at the proper time I shall offer a motion to recommit this bill to the Committee on Post Office and Civil Service. It contains the amendment that I offered earlier in the day and includes amendments that have been approved by this committee. It will also strike out the provision in the bill that authorizes the President at his own desire to raise the salaries of certain individuals up to \$18,000.

I make this explanation so that when the time comes I will not have to take extra time to explain it any further. I still think the salaries in this bill are inequitable and are too high.

In line with what the distinguished gentleman from Texas [Mr. LUCAS] just said, I believe you are going to find it a little difficult to explain to the people back home if you permit the approval of the bill reported by the committee.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman and Members of the Committee of the Whole House on the State of the Union, you will know that my record to date during my short tenure as a Member of this House has been very conservative—in fact, the more liberal Members would consider my record as that of a reactionary; and I will admit that I have been and shall continue to be very conservative where in the principles of democracy are involved.

I came here with the intention of representing the masses and not to speak as a "pollyparrot" of any power contrary to what I honestly believe to be the wishes of those who have entrusted me with the duties and responsibilities of this office.

Speaking in rather general terms concerning the economy of this democracy, I have felt that the founding fathers formulated our system of democracy upon the theory that supply and demand, with free enterprise, individual initiative, and open competition being afforded within the ranks of capital, business, labor, and all the other Government and individual essentials would govern our economy.

Even though the aforementioned theory exemplifies a pure democratic economy, trial and experience found us facing an unbalanced economy with most of the wealth of this country drifting into the hands of a few. Antitrust and anti-monopoly laws, along with other business restrictions, were enacted to assure competition, aid supply and demand to produce a more equitable return upon investments, and to assure a more equal distribution of this country's wealth.

Likewise, it has been necessary to impose and maintain restrictions upon labor for the purpose of affording a balanced relationship between the employer and the employee, and in order to stabilize individual initiative, free enterprise, and open competition within the ranks of labor so as to afford supply and demand an opportunity to regulate the over-all economy.

If democracy is to prevail, I firmly believe that free competition must remain intact and allowed to operate with capital and the investor who supply the commodity as well as with the employee who performs the labor, with the assistance of capital, to bring the commodity and investment into existence. Supply and demand, with individual initiative, free enterprise, and open competition being afforded, should therefore regulate our economy wherein capitalistic trusts are suppressed, and labor controlled to the extent of allowing fair relations to exist between the affected parties. Then, we must allow for necessary restrictions that will tend to bring about a wider distribution of the country's wealth.

Only restrictions for the purpose of producing a balanced economy are necessary, and we can well see that to curtail the efforts of business and individuals with restrictions and controls that remove the individual incentive to progress will eventually lead to the regimentation of our people to such an extent that we will no longer have any reason to advance our persons or businesses. Sooner or later unless Government control is brought to a minimum, every business will be told by the Government how to operate, what prices to charge for commodities, and the manner in which the business shall be conducted. The fees of professional men and women, the specialists, and the laborers, will, under such circumstances, be eventually set by the Government, and the ability of an individual to perform services will be of little consequence. I have felt that to vote for restrictions and controls unnecessary to the balancing of our economy is no less than to vote a socialistic ticket that tends to remove the fundamental prerequisites of a democracy. I have in the past and I shall continue to oppose legislation wherein the Government is allowed to compete with private enterprise, except in cases where private enterprise cannot or has not performed the requirements.

My maiden speech on the floor of this House a few days after I took my oath of office was in favor of the reorganization and coordination of the existing Federal agencies and departments, at a saving to the taxpayers rather than to

bring into existence new agencies and expand those now in existence. It is difficult to understand how we shall ever expect to become solvent if we are to continue the practice of employing an average of 271 new people every day the sun rises, and if we are to continue establishing new agencies and expanding those in existence every time the Congress meets. I feel that every department and agency should have ample personnel to administer the affairs involved as per the demands of the people, minus Federal administration of affairs that should be administered by the States. I have followed the economy move in this Congress, believing that this Government could be operated with the same full force and effect on behalf of the people with much less money; but, gentlemen, we all know that it is false economy to pay a person less for their services than that to which they are entitled. One never gets any more than what he pays for.

It is generally believed by the public that the public officials actually receive more money for their services than is authorized by law. It would be difficult to convince any reasonable person that a Member of the President's Cabinet actually received in the past only \$15,000 per year. No man or woman can imagine a Member of this Congress surviving the expenditures imposed upon him or her with the salary authorized by law; and it cannot be done if the respective Member actually renders the service to which his constituents are entitled. A \$20,000 salary to a Member of Congress would amount to no more than seven or eight thousand dollars to a Member in his home community. Actually he could stay at home on \$5,000 as easily as serving in Congress for \$20,000.

Every Member of Congress is required to have two homes—one in Washington and one within his district. His home expenses are practically as high while he is in Washington as while he is at home. It is necessary to expend more money in the performance of his duties than he is paid by the Government.

Unless a Member of Congress has an outside income from a business, profession, or some other source, he cannot properly serve his people with the salary now authorized by law, unless he comes here a rich man.

Why, gentlemen, a Member is required to run for office every 2 years, and the general public well knows that it is necessary to expend in each election at least the amount of his first year's salary. A poor man cannot even venture to run for such public office without the financial assistance of his close friends and those expecting favors. I cannot imagine that the membership of this Congress is to be made up of the rich in this great democracy of competition, which can well lead to a capitalistic government detrimental to the middle and lower classes of our country. For the membership of Congress to receive an adequate salary will be most beneficial to the poor and middle classes of this United States of America.

Seniority plays a big role in the operation of Congress. In fact, a freshman

Member such as myself has little to do with the legislative machinery and actually participates only to the extent of a single vote. Other than a rich Member of Congress must look to the future general welfare of his family and cannot afford to sacrifice the required years in Congress upon the salary now being paid to gain a position with enough seniority to be as helpful to his people as he would like.

The Hoover Commission has foreseen the need for adequate salaries to public officials as a guard against the destruction of democracy, as a guard against a capitalistic form of government, and as an assurance of honest administration on behalf of all the people.

The CHAIRMAN. The gentleman from California [Mr. MILLER] is recognized.

Mr. MILLER of California. Mr. Chairman, I wish to read into the RECORD an excerpt from a statement made by Mr. Beardsley Ruml in support of the principles of this bill:

If we are to have efficiency in public expenditure, two measures are obviously necessary. First, the President must have an increased scope of authority in the organization and reorganization of the agencies in the executive branch of the Government. And second, a higher level of compensation, as has been recommended, should be established for top Government officials in order to hold in the Federal service and to attract to the Federal service the talent that is necessary for efficient managerial operation of the essential services of the executive branch of the Federal Government.

I wish also to read into the RECORD the following telegram in support of the bill from Eric Johnston, president of the Motion Picture Association of America, Inc.:

WASHINGTON, D. C., February 8, 1949.  
Hon. GEORGE P. MILLER,  
House Committee on  
Post Office and Civil Service,  
House of Representatives:

As a businessman I am happy to endorse House bill 1689 authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC JOHNSTON,  
President, Motion Picture  
Association of America, Inc.

In conclusion I wish to leave with you the thought that when such men as Beardsley Ruml and Eric Johnston support legislation of this kind they do not do so lightly.

This bill has merit and is the first step in reestablishing in the Government service the balance between the several levels of activity so essential to good management and high efficiency.

The CHAIRMAN. The time of the gentleman from California has expired; all time has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent for the consideration of a clarifying amendment and permission to make a very brief statement explaining the reason for it.

The gentleman from Florida introduced an amendment changing the sal-

ary of the Director of the Federal Bureau of Investigation from \$15,000 to \$17,500. The item appears again at page 10, line 19, "Director, Federal Bureau of Investigation." I would like to strike that out since the salary of the Director of the Federal Bureau of Investigation has already been increased to \$17,500 by the adoption of the amendment of the gentleman from Florida [Mr. ROGERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Page 10, line 19, strike out "Director, Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, pursuant to House Resolution 274, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. REES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REES moves to recommit the bill to the Committee on Post Office and Civil Service with instructions to report it back forthwith with the following amendment: Strike out all after the enacting clause and insert the following:

"That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the

Attorney General, the Solicitor General of the United States, the Director of the Federal Bureau of Investigation, Director of Central Intelligence, and the First Assistant Postmaster General shall be \$17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"'COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"'SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$16,000 per annum, three at rates not exceeding \$15,000 per annum, and seven at rates not exceeding \$12,000 per annum.'

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Administrator of General Services, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Administrator of Civil Aeronautics, Manager of the Federal Crop Insurance Corporation, the Commissioner of Narcotics, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be \$15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue;



Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of \$12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of \$10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$12,500 a year."

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of \$11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

"Sec. 5. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. REES. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. REES. Mr. Speaker, I ask for a division on the motion to recommit.

The House divided; and there were—aye 71, noes 165.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### FEDERAL PAY STRUCTURE—RELIC OF THE PAST

Mr. HAYS of Arkansas. Mr. Speaker, in the past quarter century, the map of the world has been redrawn. World War II has been fought and won. Atomic energy has been released. The United Nations Organization has come into being. The hope of the world for peace and prosperity has become centered in

the Government and the people of the United States of America. This kind of responsibility in the modern age in which we live calls for the most capable men our Nation can produce. And how shall we go about getting men of that caliber? By offering them salaries on a pay scale established by Congress as far back as 28 years ago? This is what we actually offer to men expected to be leaders not only in the United States but the world.

Members of the Cabinet, for example, received \$15,000 per annum in 1925. They are paid precisely the same today. The Director of the Bureau of the Budget receives \$10,000 today. That is the identical salary that was fixed for the position June 10, 1921—and which recently caused a Director of the Budget, with long and valuable experience, to resign in the interests of his family.

Nothing in the Federal Government is quite so out-dated as the pay scales of many of its top officials.

Because Government salaries for top executives are completely out of balance with industrial scales, Government agencies are constantly losing valuable personnel. Moreover, it is extremely difficult to find competent replacements for these positions.

It is difficult to understand why a man who is worth \$50,000 to private industry is considered to be worth only \$10,000 or \$15,000 to the great institution that is the Government of the United States. Industries with far fewer assets than some Government corporations—industries whose functions for national health, peace, and prosperity hardly merit mention in the same breath as these Government corporations—nevertheless, pay their officials holding comparable positions anywhere from half again to 10 times as much as Government is authorized to offer.

Industry, wisely and rightly, has adjusted salaries to meet changing conditions, increasing responsibilities, or the rising cost of living. Such procedure makes for efficiency. It holds experienced personnel.

Government pay policy in the upper brackets has been precisely the opposite. In many agencies, the top official now receives the same salary as the next three or four officials under him. In some cases, the top man actually receives a few hundred dollars less than his principal assistant. It would be almost miraculous if this situation did not undermine efficiency, break down confidence, and cause a much more than normal turn-over of top personnel.

This is a most serious problem. The men who execute the policies of our Government bear the weightiest responsibility of any citizens of the United States. Upon their competent execution of their duties depends not only the efficiency of Government, but possibly even the peace and prosperity of the world. We dare not be satisfied with anything less than top-flight personnel.

The enactment of this bill might not bring to Government the best personnel in the land, but it would surely remove one of the principal reasons why service in the Government has become less attractive.

There is no dearth of patriotic citizens in the United States. But can we blame a citizen who does not feel called upon to sacrifice permanently the interests of his family upon the altar of a Government job? Can we blame a worker for throwing in the sponge when he sees his associates and sometimes his assistants accepting better-paying jobs in private business?

Can we blame even the long-time career man when he takes a second look around—because he sees every now and then some faithful, patriotic servant of the people cracking up under the fearful strain that these postwar days put upon all conscientious Government officials?

We must have competent people in Government. To get them we must endeavor to make our salary structure fit the needs of the times. True, Government cannot expect to match the pay scales of industry. But this is not necessary. All that most Government officials ask is a salary which will place them in the same position relative to their assistants and relative to the cost of living that they occupied in the days before the war.

The executive pay bill would assure them of that kind of position. It would restore confidence in the fairness of Government to its own servants. It offers the type of recognition that will bring forth the best in Government efficiency.

Mr. KARST. Mr. Speaker, supposedly, we are considering a bill to increase the salaries of certain key executives and administrators of Federal departments and agencies. In reality we are debating the question, How great a financial sacrifice can we ask from men of top-flight ability because they are Government servants?

This bill does not pretend to pay salaries that match or even approach the rewards that private concerns offer men with similar talents and carrying equal responsibilities. Judged by any such standard it is common knowledge that Government salaries are pitifully inadequate.

It is common knowledge that all too often years of training and experience in Government serve only as a proving ground for well-paid jobs in private industry. And this trend is increasing at the very time when Government has need of every top-flight person it can muster.

Look at the duties and responsibilities these Government officials must meet. In terms of money spent, in terms of national policy and national welfare, their task is staggering. How much can we ask them to sacrifice in the public service? At best we can only limit the financial loss they inevitably take.

But there is a much more serious aspect to this problem than next year's budget or the pay of certain Government officials. It concerns the longer future and the type of executive and administrators who will be available for Government service in the years ahead. We are not legislating solely or primarily for the next fiscal year.

We must consider how Government service will look to the really able members of the rising generation. We can invite them to consider such a career or we can cold-shoulder them with salary scales that are pitifully inadequate. If we make the sacrifice look too great, we will lose most of the really able people that we want and need in Government. We will lose them because they will not even consider a career in Government, much less point toward it. Moreover, we will have great difficulty in recruiting mature, able men from private life.

Who will pay for that loss of talent, vision, and ability? Your constituents and mine—if we have the good fortune to remain in Congress. All of us will foot the bill if we so underpay our Government officials that we screen out the very ones who could serve us most efficiently and economically.

Mr. BRYSON. Mr. Speaker, it is to be regretted that we are considering H. R. 1689 at this time.

Since many of our people are insisting upon the adoption of considerable portions of the Hoover Commission report, surely it is untimely to add to Government expenditures rather than to reduce them.

Assuming that there are inequities in the pay of heads of Government departments and agencies, we cannot afford to increase salaries and wages of said Government officials in the face of a known growing deficit.

The latest report reaching Congress reveals the fact that we are operating now with a deficit of some \$2,000,000,000. It appears that this deficit will increase. With this acknowledged fact before us, we must reduce Government expenditures, raise taxes, or operate with a deficit. We cannot in justice to the taxpayer increase taxes with incomes on the decline. We should not operate with a deficit. The logical thing to do is to reduce Government cost.

One hears little talk of economy in Congress. We have grown too accustomed to increasing expenditures. The clamor of the taxpayers for relief is seldom heard, if ever.

It is a great honor to serve our Government in any capacity. Most everyone in public office must of necessity serve at a financial sacrifice. One capable of successfully filling a public office could easily earn more money in private industry. The real compensation accruing to a public official is intangible. The satisfaction of knowing that one has had the privilege of serving his country is, and should be, adequate pay.

In my judgment, unless there is a change in the attitude of those now in charge of our Government toward public expenditures, the people will ultimately rebel against extravagance.

On a recent trip to my district I was greatly impressed by the attitude of everyone toward economy.

Let us send this measure back to committee for additional study with the hope that by the time it comes up for further consideration our domestic affairs will have been improved.

When the idea of increasing salaries, such as is provided for in this measure, was first presented to the Congress some

6 months ago, the financial horizon was much brighter than now. Let us hope that in the not distant future our economic affairs will improve.

This is no time to add additional and unnecessary burdens to our already overburdened taxpayers.

I regret to find myself in disagreement with those who are sponsoring this legislation, but have no hesitancy in voting against its passage.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) entitled "An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes."

#### EXTENSION OF REMARKS

Mr. TACKETT asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include extraneous matter.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an article appearing in the CIO News.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New Jersey Record.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a speech.

#### SPECIAL ORDER GRANTED

Mr. PHILLIPS of California asked and was given permission to address the House for 40 minutes on Friday, July 22, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SIGNING OF ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

- S. 113. An act for the relief of Helen Louise Oles;
- S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;
- S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles, a minor;
- S. 623. An act for the relief of George Krinopolis;
- S. 980. An act for the relief of Toshie Okutomi;
- S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;
- S. 1167. An act for the relief of the estate of Marion Miller;
- S. 1168. An act to amend section 2680 of title 28, United States Code;
- S. 1296. An act for the relief of Murphy and Wischmeyer;
- S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and
- S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

#### BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

- H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;
- H. R. 52. An act for the relief of Nevada County, Calif.;
- H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;
- H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;
- H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteen Foxworth;
- H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;
- H. R. 1009. An act for the relief of the Central Bank, a California corporation as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;
- H. R. 1042. An act for the relief of Hoy C. Wong;
- H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;
- H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;
- H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;
- H. R. 1297. An act for the relief of Alvin G. Patton;
- H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;



H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Włodzimierz Onaciewicz;

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim 5 $\frac{1}{10}$  acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

#### ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House, under its previous order, adjourned until Monday, July 11, 1949, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

744. A letter from the Secretary of Defense transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946"; to the Committee on Armed Services.

745. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "To amend the District of Columbia Teachers' Salary Act of 1947"; to the Committee on the District of Columbia.

746. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "To increase the number of examiners in chief in the Patent Office, and for other purposes"; to the Committee on the Judiciary.

747. A letter from the Postmaster General, transmitting a report of claims paid by the Post Office Department under the provisions of the Federal Tort Claims Act during the fiscal year 1948-49; to the Committee on the Judiciary.

748. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees"; to the Committee on Post Office and Civil Service.

749. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 3071. A bill to authorize the Secretary of the Army to purchase certain property in Morgan County; with an amendment (Rept. No. 1000). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3197. A bill relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.; with an amendment (Rept. No. 1001). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2392. A bill to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; with an amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA designated instrument landing runways; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of \$2,000; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House on the State of the Union.

Mr. SULLIVAN: Committee on Interstate and Foreign Commerce. S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; without amendment (Rept. No. 1006). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 5356. A bill to provide for

the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass., with an amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5549. A bill relating to the exemption from payment of income tax of certain compensation payable to Federal employees stationed in the Territories and possessions of the United States; to the Committee on Ways and Means.

By Mr. COLMER:

H. R. 5550. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", as amended, to permit the sale of war housing to State and local housing agencies; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 5551. A bill to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes; to the Committee on Education and Labor.

By Mr. LANE:

H. R. 5552. A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees; to the Committee on Post Office and Civil Service.

By Mr. LODGE:

H. R. 5553. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SADOWSKI:

H. R. 5554. A bill to require the United States Civil Service Commission to establish a regional office for the State of Michigan at Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. WOOD:

H. R. 5555. A bill to repeal the act of March 31, 1949, suspending certain import taxes on copper; to the Committee on Ways and Means.

By Mr. MORRIS:

H. R. 5556. A bill to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.; to the Committee on Public Lands.

By Mr. GATHINGS:

H. R. 5557. A bill to provide for coordination of arrangements for the employment of agricultural workers admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages and for other purposes; to the Committee on Agriculture.

By Mr. HOFFMAN of Michigan:

H. R. 5558. A bill declaring a portion of the Paw Paw River, in the city of Benton Harbor, in the city of St. Joseph and Benton Township, county of Berrien, State of Michigan, to be nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 5559. A bill to amend the Federal Trade Commission Act with respect to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H. R. 5560. A bill to terminate the war-tax rates on certain miscellaneous excise taxes,

and for other purposes; to the Committee on Ways and Means.

By Mr. CROSSER:

H. R. 5561. A bill to create an independent Air Safety Board; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIES of New York:

H. R. 5562. A bill to amend the Agricultural Act of 1948 and the Agricultural Adjustment Act of 1938, as amended, to provide price support for Angora-rabbit wool; to the Committee on Agriculture.

By Mr. PRICE:

H. R. 5563. A bill to amend Public Law 49, Seventy-seventh Congress, for the purpose of preventing loss of life, impairment of health, and endangerment to the safety of coal mine employees; to the Committee on Education and Labor.

By Mr. CELLER:

H. J. Res. 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; to the Committee on House Administration.

By Mr. LODGE:

H. Con. Res. 101. Concurrent resolution relating to refund of premiums on national service life insurance policies; to the Committee on Veterans' Affairs.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and Congress of the United States relative to the construction of navigable channels on the Sacramento and Feather Rivers; to the Committee on Public Works.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 5564. A bill for the relief of Wilcox Electric Co., Inc.; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5565. A bill for the relief of the estate of Eustadio D. Papavasiliopulo; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5566. A bill for the relief of Dr. Agostino DeLisi; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1268. By Mr. McCULLOCH: Petition of Mrs. Ethel Webb, and 26 others, urging enactment of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1269. By Mr. CANFIELD: Resolution of Amalgamated Local 300, Engineers and Sanitary Employees Association, UAW-CIO, urging governmental action to stop the current economic recession; to the Committee on Banking and Currency.

1270. By Mr. RICH: Petition of Rural Letter Carriers of Potter-McKean Counties, Pa., in opposition to H. R. 4772, providing a 40-hour week for rural carriers; to the Committee on Post Office and Civil Service.

1271. By Mr. MACK of Washington: Petition of Seattle Chapter, Associated General Contractors of America, regarding proposed Columbia Valley Authority legislation; to the Committee on Public Works.

1272. By the SPEAKER: Petition of Woodbury County Medical Society, Sioux City, Iowa, relative to being placed on record as being opposed to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

1273. Also, petition of Oakland County Dental Society, Pontiac, Mich., requesting Congress not to enact any legislation which will hamper that freedom such as current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1274. Also, petition of Bishop Clarkson Memorial Hospital, Omaha, Neb., relative to expressing their opposition to compulsory health insurance, considering it a menace to the public health and an abuse of the individual freedom of choice; to the Committee on Interstate and Foreign Commerce.

1275. Also, petition of W. J. Shuman and others, Chambersburg, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

## SENATE

MONDAY, JULY 11, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Alton Henley Glasure, pastor, Presbyterian Church, St. Petersburg, Fla., offered the following prayer:

O Lord God, we thank Thee for Thy mercies which are new every morning and fresh every evening. We praise Thee for Thy blessings which have been multiplied to us in rich abundance. As we thank Thee for blessings received we would thank Thee more for opportunities to serve. In these opportunities we beseech Thee to give Thy divine leadership to these Thy servants.

We confess before Thee our sins and pray for the gift of clear thinking, and that these Thy legislative laborers may be faithful stewards in the service of Thy eternal kingdom.

In the name of Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 8, 1949, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

#### CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, I report favorably from the Committee on Armed Services numerous routine promotions in the armed services of the United States. No objection has been heard to any of the nominations incorporated in this recommendation from any source, the report is unanimous, and I ask for the immediate consideration of the nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, the nominations are confirmed, and the President will be immediately notified.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing two nominations, which nominating message was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Paul W. Kabler and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hunt	Myers
Anderson	Ives	Neely
Bricker	Jenner	O'Connor
Bridges	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Robertson
Capehart	Kefauver	Russell
Chapman	Kerr	Saltonstall
Connally	Knowland	Smith, Maine
Cordon	Langer	Smith, N. J.
Donnell	Lodge	Sparkman
Dulles	Long	Stennis
Eaton	Lucas	Taft
Ferguson	McCarran	Taylor
Flanders	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McKellar	Tydings
Gillette	Malone	Vandenberg
Graham	Martin	Watkins
Green	Maybank	Wherry
Gurney	Miller	Wiley
Hayden	Millikin	Williams
Hendrickson	Morse	Withers
Hoey	Mundt	Young
Holland	Murray	
Humphrey		